



Australian Government



Regional Investment Corporation

Annual Report

2024/25





The cover of this Annual Report features Scott and Allison Carter, along with their family who are blueberry growers from Victoria. The Carter family turned to a RIC loan to help establish their first farm. Discovering the loan term including 5 year interest only repayments and low interest rates were perfect for their start-up enterprise.



Scan the QR code to read more about the Carter family.

Turn to page 4 where other valued RIC customers share their experiences and stories.

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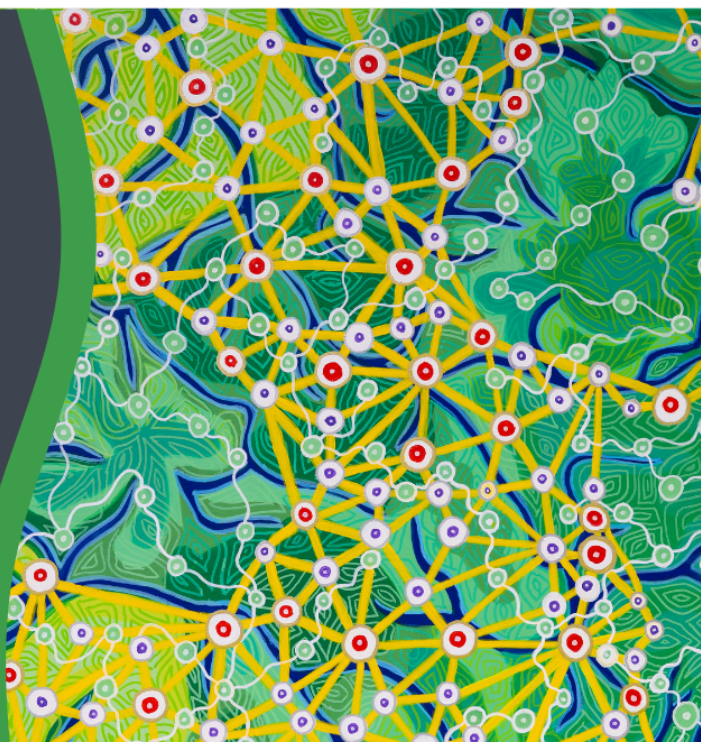
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Regional Investment Corporation
Postal address: PO Box 653, Orange, NSW 2800
Telephone: 1800 875 675
Email: info@ric.gov.au
Web: ric.gov.au

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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.



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Transmittal



19 August 2025

The Hon Julie Collins MP
Minister for Agriculture, Fisheries and Forestry

Senator the Hon Katy Gallagher
Minister for Finance

Dear Ministers

Regional Investment Corporation (RIC) Annual Report 2024-25

I am pleased to submit to you RIC's 2024-25 Annual Report.

The report has been prepared in accordance with the 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 15 August 2025, 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 faithfully

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

Karen Smith-Pomeroy
Chair

Introduction

We are pleased to present RIC's 2024-25 Annual Report.

Since the RIC opened its doors in 2018, we have settled 3,397 loans, valued at \$3.62b. This year, we settled 221 loans, valued at \$227.1m.

Interest in RIC loans has continued to increase year on year, but meeting demand for new loan applications is just one aspect of our business.

As the organisation matured into our sixth year of operation, and with climatic and economic conditions presenting challenges for farmers, we continued to see loan management activity increase across the full lifecycle of a RIC loan – from onboarding new customers, processing customer requests for loan variations, undertaking risk-based loan reviews, arrears management, and offboarding customers as loans are repaid.

We are proud of our team's efforts in keeping up with increasing activity in all areas of loan management while living and breathing our customer experience principles:

Respect my time

Partner with me

Understand me

Simple and seamless

These principles are reflected in this year's performance results, with 89% of RIC-assisted farmers expressing satisfaction with their overall experience, and 86% stating that their RIC loan gave them greater confidence in the future of their business.

Extended and varied climate events in recent years have driven multi-year impacts on farm businesses, and farm-related small businesses, and their subsequent financial need. Our suite of loan products has responded to the changing needs in support, as each state and agriculture industry experiences their unique and evolving challenges.

This year, we saw increased loan demand from the southern parts of Australia following floods, frosts and drought, stimulating the highest demand on record for our Farm Investment Loan.

Other areas of activity this year at the RIC included enhancing communications on RIC loan eligibility criteria through our website content and industry stakeholder channels, and maintaining active relationships with the Rural Financial Counsellors in each state through our regionally based network of staff, ensuring areas in need were aware of RIC loans and eligibility requirements.

With full ownership of our customer and loan management systems since October 2023, this year we continued to refine our systems, processes and data capabilities, and mature our enterprise and credit risk management and compliance approach. We also undertook a large body of work to address recommendations for the RIC from the *Review of the Operation of the Regional Investment Corporation Act 2018*.

We are grateful to the RIC team for their unwavering dedication to our customers, to our unique workplace culture, and to continuous improvement. Through our people, we have continued to deliver positive, practical and direct benefits to farm businesses that regional economies rely on for their success.



Karen Smith-Pomeroy
Chair



John Howard
Chief Executive Officer

Overview

About us

RIC is a Corporate Commonwealth Entity and Special Investment Vehicle within the Commonwealth's Investment Framework. Our primary function is the administration of farm business loans to support farm businesses with long-term strength, resilience, and profitability on behalf of the Australian Government.

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

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

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

In line with the *Australian Government Drought Plan*, our loans can be used across all phases of drought – Preparing for Drought, In Drought, and Recovering from Drought. RIC loans can also be used for other financial disruptions outside of a farmer's control such as natural disasters, biosecurity and market issues, and can help first farmers purchase, establish or develop their first farm business, and assist farm businesses and successors with succession arrangements.

We offer loans to long-term viable farm businesses and farm-related small businesses in financial need, and work in partnership with commercial banks for the benefit of customers. We manage the return of loan funds back to the Australian Government, an investment that benefits our customers, regional communities, and the agriculture industry.

Importantly for the economic growth and productivity of Australia, 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 (BDO 2023, *Regional Investment Corporation Loans Economic Impact Analysis*).

\$3.4b contribution from RIC loans to Gross Regional Product over 20 years

1,263 full-time equivalent jobs supported over 20 years

\$1m RIC loan contributes **\$1.1m** to Gross Regional Product over the 10-year loan term

Our customers

Our customers are predominantly small-to-medium family farm businesses and farm-related small businesses who are in financial need, but viable in the long term.

Their RIC loan supports them by freeing up cashflow to invest in and diversify their business, manage cost pressures, variability in conditions and revenue, and implement sustainable agriculture practices on farm.

A RIC loan increases a customer's capacity to grow equity and credit quality through our concessional loan terms, with the aim to return to their commercial bank in an improved position at the end of their loan term.

In FY25, our data showed RIC customers:

99% small-to-medium family farms and regional businesses

49% have been running their businesses for **20+ years**

6% female-controlled farm businesses, and **56%** equally controlled male / female farm businesses

The following customer stories show how customers have derived benefits from their RIC loans.

“We needed to get going quickly and efficiently and not have to worry too much in the immediate term about how it was going to be paid back until everything was producing the way we wanted it to.”



Scan here to read full customer story.



Robin and Helen Mason, with their sons Paul and Todd, and grandson Liam, run a 32-hectare apple and pear orchard in Lenswood, SA.

Loan type: Drought Loan

Purpose: Refinanced commercial debt



Scan here to read
full customer story.

“To do what we wanted to do for drought management, it would have taken us a long time to get it done. Going through the RIC loan, we got it done within 12 months, which then put us on a good track.”



Michelle Walton-Hassell and her husband John are third-generation farmers on a 2,600-hectare sheep and grain farm at Pingelly, in Western Australia's wheatbelt.

Loan type: Drought Loan

Purpose: Refinance and capital expenditure

“That change in interest rate is quite a substantial amount of money for us, so it has taken the pressure off. It just meant that we were going to have the opportunity to get ahead. If we didn’t move to RIC, this water project could not have happened.”



Scan here to read full customer story.



Cattle graziers Dane & Rachael Lehmann run a 730-hectare property at Tansey, located in the Gympie region of southeast Queensland, with their 4 children.

Loan type: Farm Investment Loan

Purpose: Refinanced commercial debt

“While it’s only been 6 months since we acquired the vineyard, we are optimistic about how the RIC loan will help us weather these dry conditions.”



Scan here to read full customer story.



Yiannis Fragos and his partner, Ivon Pial Jarrosay, operate Pial Fragos on the plains of Willunga, South Australia, after purchasing their vineyard in late 2024
Loan type: AgriStarter Loan
Purpose: Purchase first farm

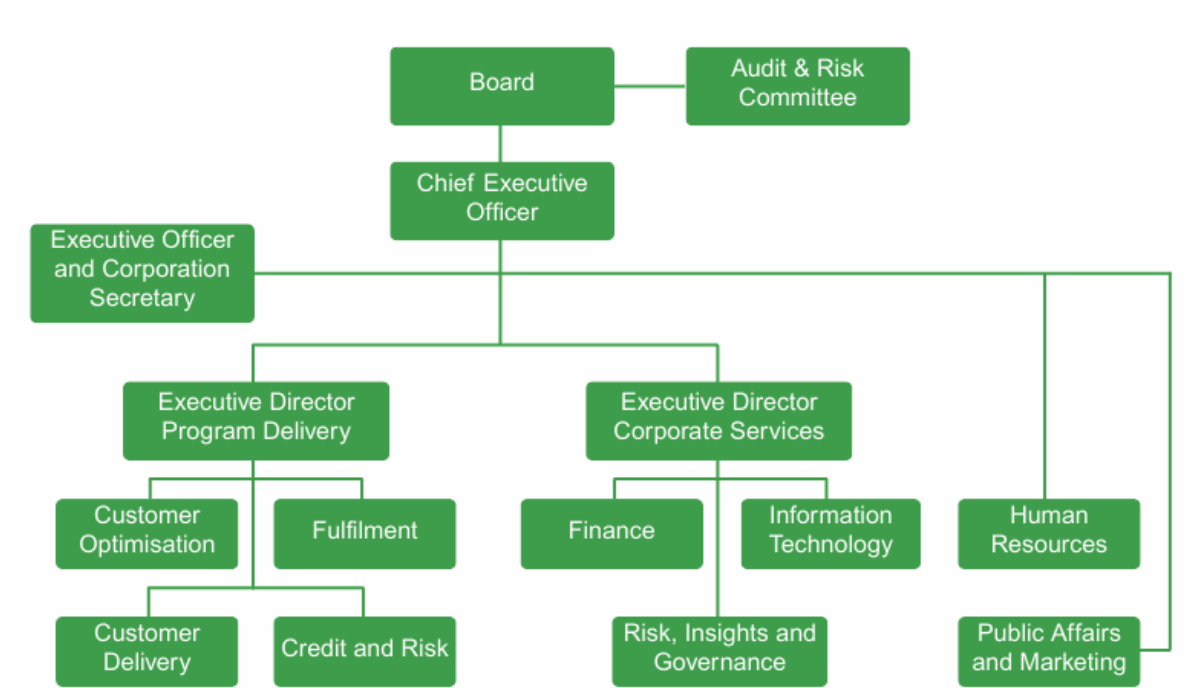
Our people

RIC's headquarters is located on Wiradjuri Country in the regional community of Orange NSW. Most of our employees are based in regional Australia, with their own unique ties to agriculture through their careers and family farms.

44%	workforce based in Orange and the Central West of NSW
76%	workforce based in regional locations across Australia
60%	Board members based in regional Australia
79%	employee engagement score ¹
55%	female employees
45%	male employees
80%	female Board members
11.97%	gender pay gap
3%	First Nations staff

Our organisation structure at 30 June 2025 is provided in Figure 1.

Figure 1: RIC organisational structure at 30 June 2025



¹ Against a Financial Services benchmark of 73%, and a government benchmark of 63%

Key activities we undertook during the year to enhance our people and culture included:

- We conducted our annual employee engagement survey and achieved a **79%** engagement score and a **100%** survey participation rate. We followed through on survey feedback throughout the year by acting on the results through an employee focus group and individual leadership focus areas for our people leaders.
- We finalised and implemented our annual Learning, Development and Wellbeing program. The program considered broad organisational needs balanced with individual and technical needs of our team members. This approach fed into other aspects of our people and culture such as managing employee retention, development opportunities, key personnel risk, and succession planning. RIC continued to offer flexible work practices to enable employees to maintain work-life balance.
- We developed a framework to support managers to effectively lead high-performing teams.
- In late 2024, we undertook a workforce review. We recognise that the most important element we deliver to our customers is our concessional interest rate. A factor in how the rate is calculated is how efficiently we run our business. The workforce review ensured we continue to effectively and efficiently direct our people and financial resources against emerging priorities. Emerging priorities this year included addressing recommendations for the RIC resulting from the *Review of the Operation of the Regional Investment Corporation Act 2018*; and increasing our capability in evolving areas such as data collection and forecasting, measuring policy impact, enterprise and credit risk management and governance. We were able to effect the changes we sought without any change to our Average Staffing Levels.
- We implemented enhancements to our employment conditions in line with the Australian Public Service Common Conditions. This included an increase to paid parental leave for pregnant employees / primary caregivers from 14 weeks to 18 weeks, and from 2 weeks to 4 weeks for partners / secondary caregivers.

Our culture



Be bold, act
with purpose



We are down to earth



We embrace difference
and act as one



Part 1: Annual performance statements

Accountable Authority statement

I, Karen Smith-Pomeroy, on behalf of the RIC Board, present the RIC’s annual performance statements for 2024-25, prepared in accordance with subsection 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). In the Board’s opinion, these performance statements accurately present the RIC’s performance for the year ending 30 June 2025 and comply with subsection 39(2) of the PGPA Act (section 16F of the PGPA Rule).



Karen Smith-Pomeroy
Chair

2024-2025 loan delivery highlights

Loan funding delivered – settled loans

221 New loans settled at \$227.1m



48 Drought Loans
at \$48.5mm



44 AgriStarter Loans
at \$45.1m



129 Farm Investment Loans
at \$133.5m



0 AgBiz Drought Loans

Customer experience



- 5,300+ Contact centre inbound and outbound calls
- 89% Calls resolved first time
- 94% Eligible loans decisioned in 30 RIC-handling days

Loan management touchpoints



- 997 Loan variation requests (a request from a customer to vary their RIC loan agreement)
- 371 Loan reviews (risk-based review of customer loans)

Performance results and analysis

Results against our performance measures as stated in our Corporate Plan 2024-25 are outlined in this section. We achieved all but one of our performance targets.

Results legend

Achieved: Target met or exceeded during the financial year
Not achieved: Target not met during the financial year

Table 1: Customer experience measures

Performance measures	Target performance result	FY2025 results	FY2024 results comparison
Maintain high customer satisfaction	Customer satisfaction rating above 80%	Achieved 89%	Achieved 87%
Loan processing timeframe	85% of eligible loans decisioned in 30 RIC-handling days for the loan facility of \$318.5M	Achieved 94%	Achieved 95%
That the RIC loan has given greater confidence in the future and profitability of customer farm / small business	Customer confidence level above 80%	Achieved 86% confidence in the future 81% confidence in profitability	Achieved 89%

In FY2023, we insourced all loan and customer management services and systems from a third-party provider. Since then, overall customer satisfaction with RIC loans has improved year on year to a high of **89%**.

In FY2025, we focused on delivering in accordance with our customer experience principles through initiatives that helped us to achieve our customer satisfaction target:

- In July 2024 we went live with a project designed to improve our business processes and online application form to continuously improve the customer experience and reduce customer effort. The project achieved a **50%** reduction in the length of the application form and a **40%** reduction in loan processing timeframes. The reduction and simplification of the application form and associated documentation facilitated greater 1:1 customer connections with our lending specialists. The process refinements derived from the project were also the key contributor to exceeding our loan processing timeframe target.
- Improvements to customer education, website upgrade and application form generated a **67%** reduction in online applications that were lapsed or withdrawn prior to submission, a **47%** reduction in the average time to submit an online application, as well as a **25%** increase in applications submitted online.
- We undertook a pilot project to use technology to electronically sign and exchange loan documents with customers, resulting in a process reduction from weeks to days or even hours.
- Mentor-mentee initiative for Contact Centre team members, who were paired with experienced lending staff to enhance their understanding of eligibility and other complex loan issues. This supported our contact centre team to resolve more customers calls on the spot, with a first-time resolution rate for the year of **89%** (up from 70% the prior year).
- We held two public webinars for farm businesses and their trusted advisors to connect with us to understand eligibility requirements and the application process, and have their questions answered.
- We enhanced customer education tools on our website, including new content, customer stories to demonstrate how farmers are using their RIC loans, resources to explain eligibility, website navigation to improve the customer experience, and ongoing enhancement of our eligibility 'Quick Quiz' to give potential customers an early indication of their eligibility for a loan.
- Awareness raising and advertising were targeted to areas that experienced environmental or market conditions that aligned with RIC's eligibility criteria and could benefit from a RIC loan, and we channelled RIC education and awareness materials through our agriculture industry partners.

Factors that drive customer confidence are derived from the primary benefit of a RIC loan – the concessional interest rate that improves cashflow and financial viability.

RIC interest rates at the commencement of FY2025 were 4.99%. On 1 August 2024 they increased to **5.18%**, a rate that was maintained throughout the remainder of the year. On average for the year, this represented an average concessional discount compared to commercial bank rates of **2.26%**.

Our research suggests that the flow-on benefits of freed-up capital enabled by the concessional interest rate of a RIC loan include:

- Improving cash flow – more money for operating costs, day-to-day expenses and to pay off debt creates a stronger financial position.
- Ability to plan better – the opportunity to improve drought preparedness and resilience, with the loan enabling early business decisions, or implementation of strategies earlier than planned.
- Ability to invest in infrastructure, machinery and stock – including implementation of Drought Management Plans.
- Enabling greater self-sufficiency – for example, implementing sustainable agriculture practices.

Table 2: Portfolio management measures

Performance measures	Target performance result	FY2025 results	FY2024 results comparison
Number and value of loans approved	Support provided within appropriation limits	Achieved 240 approved loans valued at \$247.7m within \$350.2m funding allocation	Achieved \$199.9m approved loans within \$258.9m funding allocation
Risk is managed within acceptable tolerances	95% of new loan decisions are consistent with the risk appetite	Achieved 100%	Achieved 100%

This financial year farm businesses faced a range of challenges that influenced demand for RIC loans and contributed to **71%** of our annual loan funding appropriation being deployed. Challenges were particularly evident in areas of southern Australia that experienced frosts, floods and drought. Increased demand for RIC loans subsequently occurred in South Australia (applications increasing from 15% of total applications in FY24 to 24% in FY25) and Victoria (applications increasing from 19% in FY24 to 28% in FY25).

Through this mix of drought and recovery from business disruptions during the year, our Farm Investment Loan was most in demand, reflective of its use in recovering from multiple significant business impacts. Demand for the Drought Loan increased from the prior year, a likely reflection of continued dry conditions in southern Australia.

In our role as loan portfolio custodians, we managed the return of loan funding to the government with **\$139.49m** repaid loans this year, and **\$482.5m** since inception. To manage loan portfolio risk, the Board reviewed RIC's Risk, Fraud and Corruption Control Framework, including its credit risk appetite, and received regular credit risk reporting. We reviewed and updated our suite of credit risk management policies, procedures, and tools to continue to ensure financial need, long-term viability, and capacity to repay the loans are embedded in our loan assessment process.

In practice, these tools are applied at various times through a loan's lifecycle – when we assess loan applications, a request from an existing customer to vary their RIC loan agreement, or when we undertake risk-based loan reviews with our existing customers. These direct customer touchpoints support us in identifying and managing credit risk.

Another tool to manage credit risk is our inhouse 'Credit School' - an education program designed to build credit assessment knowledge and capability across the RIC. We ran three Credit Schools during the year. Since the school started, **32** members of the RIC team graduated with representation across all RIC business units, and **8** of our colleagues at the Department of Agriculture, Fisheries and Forestry also graduated. Continuous improvement and learning in this core aspect of our business has been a successful initiative to continually improve, educate, and deliver risk management outcomes.

Table 3: Environment, Social and Governance (ESG) measures

Performance measures	Target performance result	FY2025 results	FY2024 results comparison
Adoption of government policy and expectations on ESG	Emissions/Staff FTE <2023 Baseline Measure	Not achieved 0.58 t CO ₂ -e per FTE	Achieved Monitoring and reporting achieved
	Reflect Reconciliation Action Plan (RAP) established	Achieved Reflect RAP goals achieved, and transition to Innovate RAP commenced	Achieved Reflect RAP developed

Emissions reduction activities

Having established our baseline emissions in FY2023-24, we finalised and published our FY2024-25 Emissions Reduction Plan to contribute to APS Net Zero 2030 targets through operational emissions reduction priorities and actions.

This plan was developed through our ESG Committee's engagement with the Department of Finance and our landlord

to identify areas where we could make a difference. The key areas focused on:

- Use of sustainable travel options through our Whole-of-Australian-Government travel arrangements. This year, our travel activity increased from the prior year, and as a result, we did not achieve our target to retain emissions per staff FTE below our measured baseline. With our workforce, customer base and stakeholder groups dispersed across the country, it continued to be important for the RIC team to remain mobile, responsive and accessible. Despite not achieving this measure, we were pleased to achieve reductions in waste management and energy efficiency.
- Our ESG Committee implemented a Waste Management Strategy, through which we proudly supported charities 'Tech to Country' and 'ReLove' through the repurposing and recycling of **459 kg** of furniture and hardware. Tech to Country repurposes end-of-use IT assets to Indigenous communities, and ReLove provides home furnishings to women and children impacted by domestic violence, people experiencing homelessness, people coming out of incarceration and people seeking asylum.
- Improving our head office building standards where possible. We successfully negotiated with our landlord to convert all RIC head office lighting from fluorescent to LED globes. We subsequently reduced energy usage in the office from 9,882 Kwh in FY24 to **7,971 Kwh** in FY25.

We partnered with the Department of Finance to formulate our first Commonwealth Climate Disclosure, which can be found in full at Appendix 1: Climate Statement. This project included developing the structure and narrative of the disclosure, aligning the RIC disclosures with the rest of the Commonwealth agencies that are reporting for the first time this year, and laying the foundations for undertaking a climate risk assessment to help us categorise material climate-related risks and opportunities using the Climate Risk and Opportunity Management Program.

Reflect Reconciliation Action Plan (RAP)

Thanks to a significant body of work by our RAP Working Group, our Reflect RAP goals were achieved. This being our very first RAP, we focused on the following themes which achieved appropriate Reflect RAP outcomes. A high-level summary of these outcomes is provided below. For more detailed information, visit our website and read the [Reflect RAP Progress Report](#).

Employment

As an employer, our key contributions to reconciliation centred on:

- Finding ways to improve Indigenous employment outcomes. Through the course of the year, we developed and established **2** full-time First Nations trainee positions based in Orange, NSW, one in Agri-Lending and the other in Business Administration. We worked in collaboration with a traineeship provider and were pleased to welcome our new trainees during the year.
- Reviewing legislation and best practice and applying our learning to our employment policies and procedures. As a result, we increased cultural leave from 1 to **3** days per annum, updated the definition of *family* in our Leave Policy to allow carers leave when caring for family in kinship circumstances for First Nations employees, and updated our Flexible Work Policy to consider connection to country and cultural obligations for First Nations employees when approving change-of-work-location requests.

Education

We conducted an employee Barometer Survey to ascertain cultural awareness levels and inform our learning and development approach. Key actions resulting from the survey predominantly connect to activities planned for our Innovate RAP. Some of our key activities in the Education space included rolling out cultural awareness and unconscious bias training to all staff; training for our RAP Working Group members; and developing our Acknowledgement of Country and Welcome to Country protocols.

Engagement

Diving into our first RAP involved getting to know a lot of Indigenous stakeholders in our local community, government agencies also undertaking RAPs, attending Reconciliation Australia-led RAP Learning Circles to share information and insights, and establishing relationships with Indigenous training providers and suppliers. Reconciliation Australia also engaged in discussions with the RIC Board.

We reviewed initiatives to encourage engagement with and procurement from Indigenous businesses and updated our policies accordingly.

Towards the end of the year with our Reflect RAP journey ending, we began our transition to the Innovate RAP phase with the assistance of Reconciliation Australia, by commencing the formulation of our Innovate RAP.

Part 2: Management and accountability

Governance

We are governed by an independent Board appointed by, and accountable to, two responsible ministers. Our responsible ministers were Senator the Hon. Murray Watt to 29 July 2024, followed by the Hon Julie Collins MP as Ministers for Agriculture, Fisheries and Forestry; and Senator the Hon Katy Gallagher as Minister for Finance for the full year.

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

- The RIC Act and Operating Mandate, various legislative instruments associated with loan product rules, and relevant sections of the PGPA Act.
- Two responsible Ministers.
- An independent Board appointed by responsible Ministers.
- An Audit and Risk Committee that ensures the Board receives appropriate advice and assurance on financial and performance reporting, systems of risk oversight and management, and systems of internal control.
- A Three Lines Model for comprehensive governance across risk management, internal audit, compliance, and assurance activities.
- A Board-owned Policy Framework that demonstrates coverage, application and integration of RIC policies within an overarching framework, and outlines ownership and accountability for the policies within the framework.

The Board

The RIC Board is the Accountable Authority under the PGPA Act. The Board decides RIC's objectives, strategic direction and ensures that it fulfils its statutory functions.

Board composition remained unchanged, with responsible Ministers extending the terms of all current members through to FY2026-27. Board members were Karen Smith-Pomeroy (Chair), Prue Bondfield, Sharon Starick, Sally Freeman, and Mark Tucker.

In accordance with the RIC Act and the Board's Charter, the Board met on four occasions during the year, in addition to attending to matters in between meetings.

The Board provided leadership across several areas including:

- Strategic planning and performance.
- Loan portfolio performance and risk appetite setting and monitoring.
- Oversight of progress on recommendations for the RIC from the *Review of the Operation of the Regional Investment Corporation Act 2018*.
- Oversight of Environmental, Social and Governance (ESG) initiatives including approval of the Reflect RAP and Emissions Reduction Plan.
- Audit and Risk Committee membership appointments, Committee Charter review and Internal Audit Strategy approval.
- Board governance matters including reviewing the Board Charter and Skills Matrix, Board-owned policy frameworks, and conducting the annual Board performance review.
- The CEO performance review which included ensuring succession planning was in place for the CEO and senior management roles.
- Provided advice to the Minister for Agriculture under the *Future Drought Fund Act 2019*.

Further information about the Board's qualifications and experience is provided in Appendix 2: Accountable Authority.

Approach to risk, fraud and corruption

The Board is responsible for RIC's Risk, Fraud and Corruption Control Framework which includes reviewing and setting enterprise risk and credit risk appetites. The Framework is supported by an ecosystem of supporting documents and tools, such as a Risk Policy, Risk Procedures, Risk Registers, and a Fraud and Corruption Control Plan.

Risk management at the RIC extends across the organisation into other specialist areas with their own policies and procedures, such as Health, Safety and Wellbeing; Information Technology and Protective Security; Delegations; and Three Lines of Defence, to name a few.

The Board maintains an ESG Framework, which outlines how we use our risk framework to address ESG risks. This year, RIC partnered with the Department of Finance to formulate our first Commonwealth Climate Disclosure, which can be found at Appendix 1: Climate Statement. This project established the foundations for undertaking a climate risk assessment to help us categorise material climate-related risks and opportunities using the Climate Risk and Opportunity Management Program.

The Board continued to maintain an Audit and Risk Committee to advise the Board on the appropriateness of RIC's systems of risk oversight and management.

Audit and Risk Committee

Sally Freeman (Committee Chair), and Sharon Starick, continued as Committee members for the duration of the year. Emily Canning retired from her position in August 2024, having served on the Committee since RIC's inception. The Board appointed Scott Brown as Emily's replacement from October 2024.

The Committee met three times as per its Charter and provided oversight and advice to the Board on its key focus areas of financial and performance reporting, and systems of risk oversight, management and internal control. During the year, the Committee oversaw some significant bodies of work in RIC's risk, fraud and corruption space, including:

- A review and refresh of our Three Lines Model Policy.
- An uplift to RIC's Anti-Money Laundering / Counter-Terrorism Financing program.
- The appointment of a new Internal Auditor and associated development of the internal audit strategy and workplan.
- An overhaul of RIC's enterprise risk register to create greater alignment between our risk framework, risk appetite, strategic plan and assurance map of internal controls.
- Completion of the two-yearly review of our Fraud and Corruption Control Plan to increase focus on corruption controls following the introduction of the Commonwealth Fraud and Corruption Control Framework.

There were no incidents of fraud or corruption, no cyber security breaches or incidents, and no notifiable privacy incidents during the year.

A copy of the Audit and Risk Committee Charter is available at ric.gov.au/about/reporting

Compliance with finance laws

There were no significant issues reported to responsible Ministers that relate to non-compliance with finance laws.

Health, safety and wellbeing

Our Health, Safety and Wellbeing (HSW) Committee delivered a range of HSW initiatives during the year including:

- Implementation of a streamlined HSW framework that ensured all requirements, processes and procedures were easier to understand, accessible to all employees and directly relevant to the needs of the RIC's operating environment.
- Provided wellbeing programs including the Employee Assistance Program, initiated the Before Blue mental health program, annual flu vaccination program, targeted mental health training, and workplace ergonomics training.
- Following the introduction of Work Health and Safety (Managing Psychosocial Hazards at Work) Code of Practice in 2024, there was increased awareness on the importance of addressing psychological hazards and risks within the workplace. We responded to these changes by ensuring the inclusion of psychosocial hazards and risks in our revised HSW operational procedure, as well as conducting a psychosocial risk assessment, which will be updated annually. We conducted a 'People at Work' psychosocial risk assessment survey in May 2025 to assess employee views on the most common psychosocial hazards and factors. Gathering employee perspectives provided us with a baseline understanding of the risks that may be present which will support our formulation of a plan to address psychosocial risk.
- Industrial manslaughter came into effect on 1 July 2024 as part of the *Fair Work Legislation Amendment (Closing Loopholes) Act 2023* to strengthen Commonwealth work, health and safety offences and penalties. As a result, we communicated with RIC Board and management on their obligations under this new legislation.

During the year, there were no notifiable incidents, and no lost-time injuries.

External scrutiny

We maintained our membership with the Australian Financial Complaints Authority (AFCA) for external dispute resolution. No new AFCA matters were referred to the RIC. One outstanding matter from the prior year was closed,

which had no direct effect on RIC's operations.

There were no Public Interest Disclosures or Freedom of Information requests.

Directors and Officers indemnities and insurance

The RIC held Directors and Officers Liability Insurance and premiums were paid and up to date. There were no claims against the liability insurance.

Legislative and policy events

The RIC was not issued any ministerial directions during the year. The following matters occurred in relation to legislation and government policy:

- In November 2024, the former Plantation Loan was repealed through the *Regional Investment Corporation (Plantation Development Concessional Loans) Repeal Rules 2024*. The Loan's funding appropriation of \$37.5 million was redirected for use within RIC's farm business loan appropriation funding.
- As required under section 53 of the RIC Act, the *Review of the Operation of the Regional Investment Corporation Act 2018* was published on 31 July 2024. Through the year we worked on recommendations directed to the RIC in collaboration with our colleagues at the Department of Agriculture, Fisheries and Forestry. Many of these recommendations had data collection at their core. Having completed a project in October 2023 to insource all loan and customer management systems which were outsourced to a third party during our initial years, we were on a path to build out the data collection capacity of our new systems, and the Review's recommendations helped to further inform this work.
- The Department of Finance published the new *Special Investment Vehicles (SIVs) Resource Management Guide*. We developed an implementation plan to align to the guide. With much of the guide's requirements already in place across RIC's Board and Corporate Governance; Cooperation and Collaboration; Planning and Reporting; and Risk Governance and Management areas, we largely completed our alignment to the guide during the transition period leading up to July 2025. We are yet to fully undertake portfolio stress testing and sensitivity analysis, but this was enabled at the close of the year through the addition of staff capability in this area.
- In late 2024, the Australian Government released two drought policy documents. The existing *National Drought Agreement* was renewed for the 2024-2029 period and articulated the Government's commitment to concessional loans. To outline how the Government would deliver its responsibilities under the Agreement, it released the *Australian Government Drought Plan* which outlined the government's policies, programs and support available for farm businesses to prepare for, manage through, and recover from drought. RIC loans were listed as a policy delivery tool to incentivise farm businesses, enable their financial self-reliance and facilitate recovery. We continued to make available our Drought and AgBiz Drought Loans during the year.
- The Australian Government's *APS Strategic Commissioning Framework* did not apply to the RIC, as we do not employ staff under the *Public Service Act 1999*.

Advertising and market research

Payments to media, market research and advertising organisations are outlined in Table 4.

Table 4: Payments to media, market research and advertising organisations in 2024-25

Organisation	Purpose	Total amount paid \$
JWS Pty Ltd	Market Research	\$42,780
Google	Advertising	\$26,506
Streem Pty Ltd	Media Monitoring	\$22,440
Hootsuite Inc.	Social media content management	\$19,637
Rural Press Pty Ltd	Advertising	\$18,834

Note: Section 311A of the Commonwealth Electoral Act 1918 requires Australian Government departments and agencies to set out in their annual report details of amounts greater than \$16,900 (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.

Part 3: Financial information

Independent auditor's report



INDEPENDENT AUDITOR'S REPORT

To the Minister for Agriculture, Fisheries and Forestry

To the Minister for Finance

Opinion

In my opinion, the financial statements of the Regional Investment Corporation (the Entity) for the year ended 30 June 2025:

- (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 2025 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 2025 and for the year then ended:

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

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and their 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

GPO Box 707, Canberra ACT 2601
38 Sydney Avenue, Forrest ACT 2603
Phone (02) 6203 7300

to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

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



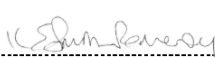

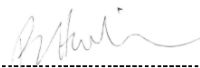
Naveed Nisar
Audit Principal
Delegate of the Auditor-General

Canberra
8 August 2025

Statement of Accountable Authority from the Chair, CEO and CFO

In our opinion, the attached financial statements for the period ended 30 June 2025 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

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

Signed 	Signed 	Signed 
Karen Smith-Pomeroy	John Howard	Rebecca Houlihan
Chair of the Board	Chief Executive Officer	Chief Financial Officer
7 August 2025	7 August 2025	7 August 2025



Financial statements

Regional Investment Corporation STATEMENT OF COMPREHENSIVE INCOME for the period ended 30 June 2025

		2025	2024	Original Budget 2025
	Notes	\$	\$	\$
NET COST OF SERVICES				
Expenses				
Employee benefits	1.1A	13,762,508	13,002,099	14,104,000
Suppliers	1.1B	6,537,985	9,546,065	8,482,000
Depreciation	2.2A	191,003	201,557	-
Finance costs		42,491	986	-
Write down of assets		-	6,407	-
Total expenses		20,533,987	22,757,114	22,586,000
Own-source revenue				
Interest revenue	1.2A	1,331,338	1,215,640	-
Revenue from contracts with customers	1.2B	208,228	135,862	-
Other revenue		4,307	7,192	-
Total own-source revenue		1,543,873	1,358,694	-
Net (cost of) services		(18,990,114)	(21,398,420)	(22,586,000)
Revenue from government	1.2C	22,586,000	22,063,000	22,586,000
Surplus before income tax on continuing operations		3,595,886	664,580	-
OTHER COMPREHENSIVE INCOME				
Total comprehensive income				
Changes in asset revaluation reserve		45,412	-	-
Total comprehensive income		3,641,298	664,580	-

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
for the period ended 30 June 2025

	Notes	2025 \$	2024 \$	Original Budget 2025 \$
ASSETS				
Financial assets				
Cash and cash equivalents	2.1A	7,037,356	5,878,431	7,689,000
Trade and other receivables	2.1B	574,821	469,671	236,000
Other investments	2.1C	12,500,000	10,000,000	7,500,000
Total financial assets		20,112,177	16,348,102	15,425,000
Non-financial assets¹				
Land and buildings	2.2A	343,356	75,598	97,000
Property, plant and equipment	2.2A	70,525	62,328	118,000
Other non-financial assets	2.2B	723,213	666,041	472,000
Total non-financial assets		1,137,094	803,967	687,000
Total assets		21,249,271	17,152,069	16,112,000
LIABILITIES				
Payables				
Supplier payables	2.3A	421,986	438,625	1,698,000
Other payables	2.3B	381,415	436,703	326,000
Total payables		803,401	875,328	2,024,000
Other Provisions				
Employee provisions	3.1A	1,618,199	1,415,485	1,098,000
Total provisions		1,618,199	1,415,485	1,098,000
Interest bearing liabilities				
Leases	2.4A	348,322	23,205	(42,000)
Total provisions		348,322	23,205	(42,000)
Total liabilities		2,769,922	2,314,018	3,080,000
Net assets		18,479,349	14,838,051	13,032,000
EQUITY				
Contributed equity		337,000	337,000	337,000
Asset revaluation reserve		80,674	35,262	35,000
Retained earnings		18,061,675	14,465,789	12,660,000
Total equity		18,479,349	14,838,051	13,032,000

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 2025

	2025	2024	Original Budget 2025
	\$	\$	\$
CONTRIBUTED EQUITY			
Opening balance			
Balance carried forward from previous period	337,000	337,000	337,000
Closing Balance	337,000	337,000	337,000
RETAINED EARNINGS			
Opening balance			
Balance carried forward from previous period	14,465,789	13,801,209	12,660,000
Adjusted opening balance	14,465,789	13,801,209	12,660,000
Comprehensive income			
Surplus/(loss) for the period	3,595,886	664,580	-
Total comprehensive income/(loss)	3,595,886	664,580	-
Closing balance as at 30 June	18,061,675	14,465,789	12,660,000
ASSET REVALUATION RESERVE			
Opening balance			
Balance carried forward from previous period	35,262	35,262	35,000
Adjusted opening balance	35,262	35,262	35,000
Comprehensive income			
Other comprehensive income	45,412	-	-
Total comprehensive income	45,412	-	-
Closing balance as at 30 June	80,674	35,262	35,000
TOTAL EQUITY			
Opening balance			
Balance carried forward from previous period	14,838,051	14,173,471	13,032,000
Adjusted opening balance	14,838,051	14,173,471	13,032,000
Comprehensive income			
Surplus/(loss) for the period	3,595,886	664,580	-
Other comprehensive income	45,412	-	-
Total comprehensive income	3,641,298	664,580	-
Closing balance as at 30 June	18,479,349	14,838,051	13,032,000

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 2025

		2025	2024	Original Budget 2025
	Notes	\$	\$	\$
OPERATING ACTIVITIES				
Cash received				
Receipts from Government		22,586,000	22,063,000	22,586,000
Interest on deposits		1,227,639	913,000	-
GST received from the ATO		30,659	201,491	-
Other		217,172	216,336	-
Total cash received		24,061,470	23,393,827	22,586,000
Cash used				
Employees		13,619,718	12,569,786	14,104,000
Suppliers		6,643,907	11,206,252	8,482,000
Interest payments on lease liabilities		42,491	986	-
Other		-	795	-
Total cash used		20,306,116	23,777,819	22,586,000
Net cash flows from operating activities		3,755,354	(383,992)	-
INVESTING ACTIVITIES				
Cash used				
Investment		2,500,000	2,500,004	-
Total cash used		2,500,000	2,500,004	-
Net cash flows (used by) investing activities		(2,500,000)	(2,500,004)	-
FINANCING ACTIVITIES				
Cash used				
Principal payments of lease liabilities		96,429	126,185	-
Total cash used		96,429	126,185	-
Net cash flows (used by) / from financing activities		(96,429)	(126,185)	-
Net increase/(decrease) in cash held		1,158,925	(3,010,181)	-
Cash and cash equivalents at the beginning of the reporting period		5,878,431	8,888,612	7,689,000
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	2.1A	7,037,356	5,878,431	7,689,000

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

Budget variance analysis is outlined in Note 5.3

Regional Investment Corporation

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Overview

Objectives of the Regional Investment Corporation

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

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 Act. The loans provided by the RIC, are accounted for in the administered Financial Statements of the Department of Agriculture, Fisheries and Forestry (DAFF). RIC discloses the amount of loan funding that is received, lent, and remaining at the end of the reporting period in Note 5.2.

The Basis of Preparation

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

The financial statements have been prepared in accordance with:

- a) *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR); and
- b) Australian Accounting Standards and Interpretations – including Simplified Disclosure Requirements for Tier 2 entities under AASB 1060 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 2025.

1.1 Expenses

	2025	2024
	\$	\$
Note 1.1A: Employee benefits		
Wages and salaries	10,685,927	10,298,348
Superannuation	1,341,815	1,231,873
Leave and other entitlements	1,547,018	1,365,828
Separation and redundancies	187,748	106,050
Total employee benefits	13,762,508	13,002,099
Note 1.1B: Suppliers		
Goods and services supplied or rendered		
Consultants	1,496,684	2,426,501
Contractors	562,588	532,006
Information technology services	2,497,104	2,931,061
Legal services	135,409	263,376
Marketing and communications	237,782	184,456
Recruitment services	34,654	86,127
Staff training and development	203,402	134,395
Travel	427,706	237,912
Credit assessment charges	377,103	327,759
Property operating costs	66,622	60,355
Loan service provider	6,652	1,970,620
Other goods and services	492,279	391,497
Total goods and services supplied or rendered	6,537,985	9,546,065

Included within the balance of other goods and services is the 2024-25 ANAO Audit fee paid by the RIC as a paying entity of \$121,000 (2023-24: \$99,000).

Accounting Policy

Employee-related expenses

Accounting policies for employee-related expenses are contained in Section 3, the Other Provisions section.

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. There were no short-term leases in 2024-25.

Regional Investment Corporation

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1.2 Own-Source Revenue and Gains

	2025	2024
	\$	\$
Note 1.2A: Interest		
Deposits	1,331,338	1,215,640
Total interest	1,331,338	1,215,640
Note 1.2B: Revenue from contracts with customers		
Settlement recovery costs	208,228	135,862
Total revenue from contracts with customers	208,228	135,862
Note 1.2C: Revenue from Government		
Corporate Commonwealth entity payment item	22,586,000	22,063,000
Total revenue from Government	22,586,000	22,063,000

Accounting Policy

Interest

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

Revenue from Government

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

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

Revenue from contracts with customers

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

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

Regional Investment Corporation

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

2. Financial Position

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

2.1 Financial Assets

	2025	2024
	\$	\$
Note 2.1A: Cash and cash equivalents		
Cash on hand or on deposit	7,037,356	5,878,431
Total cash and cash equivalents	7,037,356	5,878,431
Note 2.1B: Trade and other receivables		
Goods and services receivable		
GST receivable	1,451	-
Interest receivable	573,370	469,671
Total goods and services receivable (gross)	574,821	469,671
Note 2.1C: Other Investments		
Term deposit	12,500,000	10,000,000
Total other investments	12,500,000	10,000,000

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 12 month and 9 month (2024: 11 month) maturity deposits and is therefore classifying this deposit as an investment and not cash or cash equivalent.

Credit terms for goods and services were 30 days.

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

2.2 Non-Financial Assets

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

	Buildings	Property, plant and equipment	Total
	\$	\$	\$
As at 1 July 2024			
Gross book value	831,539	153,480	985,019
Accumulated depreciation and impairment	(755,941)	(91,152)	(847,093)
Total as at 1 July 2024	75,598	62,328	137,926
Additions			
Right of use	421,546	-	421,546
Revaluation increment recognised in other comprehensive income	-	45,412	45,412
Depreciation on Property Plant and equipment	-	(37,215)	(37,215)
Depreciation on right-of-use assets	(153,788)	-	(153,788)
Total as at 30 June 2025	343,356	70,525	413,881
Total as at 30 June 2025 represented by:			
Gross book value	421,546	76,100	497,646
Accumulated depreciation and impairment	(78,190)	(5,575)	(83,765)
Total as at 30 June 2025	343,356	70,525	413,881
Carrying amount of right-of-use assets	343,356	-	343,356

Regional Investment Corporation

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Accounting Policy

Revaluations of Non-Financial Assets

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

The RIC undertook a revaluation of all property, plant and equipment in March 2025 utilising an external valuer in accordance with the RIC asset policy. The valuer undertook a site visit in January 2025 and confirmed the existence of the assets on site. Between valuations RIC undertakes annual assessment of assets to determine whether there has been any material movement in fair value which requires recognition in the financial statements.

Asset recognition threshold

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

Lease Right of Use (ROU) Assets

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

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

In December 2024 the RIC has recognised one right of use asset addition for its commercial office premises at 122-124 Kite Street Suite 2, Orange NSW upon renewal of the lease and the expiry of the previous term. There were no lease incentives received or makegood costs to be recognised.

Depreciation

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

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

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

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

Impairment

All assets were assessed for impairment at 30th June 2025 in conjunction with the external valuation and stocktake. 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.

Derecognition

Items of property, plant and equipment are derecognised upon disposal or when no further future economic benefits are expected from their use or disposal.

Fair Value

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

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

Regional Investment Corporation

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2025	2024
	\$	\$
Note 2.2B: Other non-financial assets		
Prepayments	723,213	666,041
Total other non-financial assets	723,213	666,041

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

2.3 Payables

	2025	2024
	\$	\$
Note 2.3A: Supplier payables		
Trade creditors and accruals	421,986	438,625
Total supplier payables	421,986	438,625

Settlement is usually made for suppliers within 30 days.

Note 2.3B: Other payables		
Salaries and wages	340,549	401,697
Superannuation	40,866	34,345
Statutory payables	-	661
Total other payables	381,415	436,703

2.4 Interest Bearing Liabilities

	2025	2024
	\$	\$
Note 2.4A: Leases		
Lease liabilities ¹	348,322	23,205
Total leases	348,322	23,205

¹Total cash outflow for the lease for the year ended 30 June 2025 was \$138,920 (2024: \$127,171)

Note 2.4B: Leases - Maturity

Maturity analysis - contractual undiscounted cash flows

Within 1 year	148,768	53,490
Between 1 to 5 years ²	220,459	-
Total leases	369,228	53,490

²The lease of the RIC's office premises was renewed in December 2024 for a period of three years

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. Other Provisions

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

	2025	2024
	\$	\$
Note 3.1A: Employee provisions		
Annual leave	852,079	829,608
Long service leave	766,120	585,877
Total employee provisions	1,618,199	1,415,485

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 2024-25 standard parameters and using the Shorthand model. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Superannuation

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

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

Regional Investment Corporation

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

3.2 Key Management Personnel Remuneration

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

	2025	2024
	\$	\$
Note 3.2A: Key management personnel remuneration		
Short-term employee benefits	1,226,774	1,350,856
Other long-term employee benefits	64,844	30,627
Post-employment benefits	125,412	130,764
Total key management personnel remuneration expenses	1,417,030	1,512,247

There are nine (9) key management personnel included in the above table this includes the Chief Executive Officer, the Board and the Executive Leadership Team (2024:10 people including staff acting in KMP roles).

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

3.3 Related Party Disclosures

Related party relationships:

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

Transactions with related parties:

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

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

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

Regional Investment Corporation

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

4. Managing Uncertainties

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

4.1 Contingent Assets and Liabilities

The RIC does not have any quantifiable or unquantifiable contingencies for 2025 (2024: nil).

5. Other Information

5.1 Current/non-current distinction for assets and liabilities

	2025	2024
	\$	\$
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	7,037,356	5,878,431
Trade and other receivables	574,821	469,671
Other investments	12,500,000	10,000,000
Other non-financial assets	723,213	666,041
Total no more than 12 months	20,835,390	17,014,143
More than 12 months		
Land and buildings	343,356	75,598
Property, plant and equipment	70,525	62,328
Total more than 12 months	413,881	137,926
Total assets	21,249,271	17,152,069
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	421,986	438,625
Other payables	381,415	436,703
Leases	136,254	23,205
Employee provisions	741,459	758,776
Total no more than 12 months	1,681,114	1,657,309
More than 12 months		
Leases	212,068	-
Employee provisions	876,740	656,709
Total more than 12 months	1,088,808	656,709
Total liabilities	2,769,922	2,314,018

Regional Investment Corporation

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

5.2 Other Consolidated Revenue Fund (CRF) money

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

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

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

At June 30 2025 the difference between what the RIC has received and what has been lent or returned is detailed below. The beneficiary of these funds is the loan recipient or the Commonwealth, not the RIC. The closing balance is an asset reported by DAFF in their administered financial statements.

	2025	2024
	\$	\$
Note 5.2A: Loan funding received but not disbursed		
As at 1 July		
Assets held in trust added to receipts	15,902,670	10,111,407
Receipts	541,153,320	412,674,346
Payments	529,311,206	406,883,083
Total as at 30 June	27,744,784	15,902,670
Total amount held at the end of the reporting period	27,744,784	15,902,670

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>For 2024-25 The RIC had projected a balanced budget based on expected loan activity and an assumption of a complete year of normal running under the fully insourced operating model. The overall budget continues to contain some non-recurring project items as part of an ongoing program of continuous improvement to key system platforms, enhancing usability and optimising the evolving reporting requirements. Additionally, some modest expenditure was incurred in anticipation of Government's response to the recent RIC Act Review recommendations.</p> <p>The RIC finished the year with a surplus of \$3.6M, reflecting prudent deployment of available financial resources and further validating the sustainability of the operating model. Employee expenses continue to be the largest outgoing, amounting to \$14 million, or approximately 61% of the RIC's funding allocation, with actuals ending the year at \$341k below budget levels.</p>	<p>Statement of Comprehensive Income:</p> <ul style="list-style-type: none"> - Employee benefits - Suppliers - Own source revenue <p>Statement of Financial Position:</p> <ul style="list-style-type: none"> - Cash and cash equivalents - Total payables - Employee provisions <p>Statement of Cash Flows</p> <ul style="list-style-type: none"> - Cash used suppliers - Cash used Employees <p>Statement of Changes in Equity</p> <ul style="list-style-type: none"> - Surplus for the period
<p>The lower than budgeted supplier expense was mainly due to external labour and consultancy costs not reaching expectations.</p> <p>RIC maximised interest revenue through an effective investment strategy, with the placement of significant portions of revenue received from government and retained earnings (available cash) in term deposits pending usage, leveraging the available medium-term rates. This was not captured in the budget due to lack of certainty on timing of appropriation receipt and what was anticipated to be an environment of falling market rates, however yielded \$1.3M in interest income. Revenue from customers of \$217k purely represents an activity-based cost recovery of external fees as per policy and accordingly has an equivalency in supplier expenditure.</p> <p>The 2024-25 budget did not set expectations for Finance costs and depreciation.</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>Financial assets are at a greater level than expected due to 'Other Investments', resulting from the operating surplus for the current year, following on from favourable opening balances resulting from the prior-year (2023-24) surplus of \$700k.</p> <p>An increase in non-financial assets is informed by the renewal of the lease to the RIC's head office premises in December 2024, and recognition of the associated right of use building asset.</p> <p>Total liabilities for the RIC are \$450k higher than budgeted due to an increase in employee provisions and recognition of the building lease liability. The asset revaluation reserve has increased by \$45k, reflecting the outcome of external valuation on property, plant and equipment.</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.

Part 4: Appendices

Appendix 1: Climate Statement

Section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* requires an annual report on measures to minimise our effect on the environment, the mechanisms (if any) for reviewing and increasing effectiveness of those measures and our contribution to the principles of ecologically sustainable development. This section provides the report for 2024-25.

Commonwealth Climate Disclosure

Commonwealth Climate Disclosure is the Government's policy for Commonwealth entities to publicly disclose their exposure to climate risks and opportunities, as well as their actions to manage them, delivering transparent and consistent climate disclosures to the Australian public.

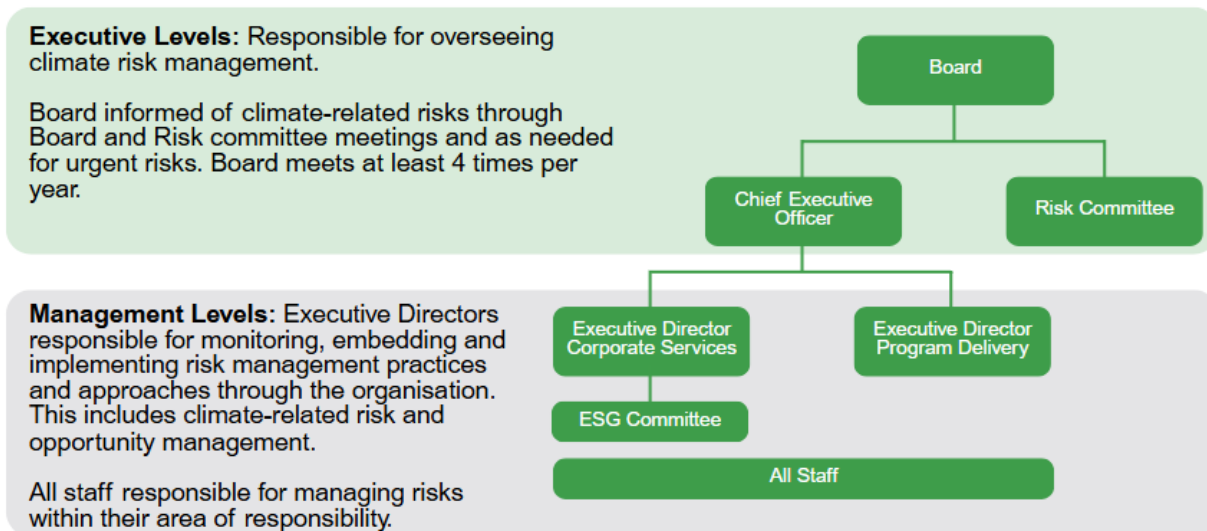
Under the policy, non-corporate Commonwealth entities are required to complete climate disclosures. As a specialist investment vehicle, RIC meets the thresholds of Tranche 1 in the [CCD Policy Architecture](#), and we are required to start including climate-related disclosures in our Annual Report from FY2024-25. This climate statement has been prepared in accordance with the [Year 1 Reporting Provisions](#).

The criteria have been addressed through the body of our annual report, our [Emissions Reduction Plan](#), [Corporate Plan](#), and the information within this Climate Statement. An index has been included at the end of this appendix to enable readers to easily access cross-referenced information and provide additional details, where relevant.

Governance

Climate risk and opportunity management is embedded within our existing governance and risk management policies and procedures (see: Governance). The roles and responsibilities delegated from the Board (Accountable Authority) and executive levels, down to the operational level are detailed below in Figure 2.

Figure 2: Climate governance structure



In 2025-26 the RIC is committed to uplifting and enhancing our climate risk assessment programs. To effectively embed climate risks and opportunities into our operations, and policy and program delivery, the RIC will formally commence implementation of the Climate Risk and Opportunity Management Program (CROMP).

As we develop our climate maturity and progress towards our 2030 net zero emissions target, we will continue to monitor and adapt the systems we have in place, where necessary. This includes considering whether we need further investment in climate capability and how trade-offs are managed in relation to decisions made on climate-related risk and opportunities against policy constraints.

Risk management

Our risk management process is outlined in: Approach to risk, fraud and corruption. Climate risks are currently managed using our existing governance structure and risk systems, policies and tools. We will review and refine this

process next year as we continue our work under CROMP. The process for identifying, assessing, prioritising, managing and monitoring climate-related opportunities build on those for identifying climate-related risks. Climate-related opportunities are prioritised alongside climate-related risks using RIC's pre-existing risk management framework processes.

We started working on our first climate risk and opportunity assessment this year under [The Australian Government's Approach to Climate Risk and Opportunity Management in the Public Sector 2024-2026](#), in line with the CROMP [Organisation Application Guide](#).

Our assessed scope includes our staff, assets and operations. We have utilised internal data sources, including our enterprise risk management framework, incident registers, insurance claims and our Emissions Reduction Plan to support our risk management activities. Input from staff helped us to identify assets, infrastructure and staff that may be at risk from climate change. External data sources including the IPCC Sixth Assessment Report (2021), Climate Change in Australia, the State of Climate 2024 report and the climate scenario and transition summaries in the CROMP Organisation Application Guide's Appendix were used to inform us of our organisational climate-related risks. This assessment is a work in progress and will be further developed and refined as our Climate maturity develops.

Metrics and targets climate disclosure

We are committed to leading climate action within the public sector and have voluntarily committed to the Government's [APS Net Zero by 2030 target](#). See the APS Net Zero Target Roadmap <https://www.finance.gov.au/government/climate-action-government-operations/aps-net-zero-emissions-2030> for details including scope, emissions sources and timeframes. We have not deviated from the approach in this factsheet.

Our approach to reducing emissions is detailed in our publicly available [Emissions Reduction Plan](#) and we will report our progress annually through our climate disclosure.

This year we made progress against our plan including:

- Sign-off from our Accountable Authority to voluntarily opt-in to the APS Net Zero 2030 target.
- Published our first Emissions Reduction Plan.
- Updated our Waste Management Strategy to improve recycling practices and reduce greenhouse gas emissions.
- Converted all lights in the Orange office to LED.

As part of RIC's Waste Management Strategy to have better waste management and effective recycling practices, the RIC approached two non-government organisations to assist us to circulate or re-use products and materials that are no longer required by the RIC:

- 293 Kg of various e-waste items have been donated to a program called Tech to Country, an initiative of G1 Asset Management. Tech to Country empowers Australian enterprises and government to donate end-of-use IT assets to Indigenous communities while maintaining complete data security and compliance to Australian Information Security Manual controls. The RIC is continuing to use this approach for future e-waste.
- 12 boardroom chairs to Re-Love, a Sydney-based charity that repurposes furniture and whitegoods from corporate partners and delivers it directly to people who need it. It also diverts these chairs from landfill.
- The RIC is participating in a program co-ordinated by an Orange pharmacy to annually refresh the RIC office first aid kit and repurpose all out-of-date equipment.

See Table 7 and Table 8 for our emissions reporting and disclosure of climate-related metrics criteria.

Climate action strategy

This year was the first time the RIC embarked upon an organisational-wide risk assessment in accordance with our obligations under the Australian Government's Approach to Climate Risk and Opportunity Management in the Public Sector 2024-26. We focussed on the first three steps of the CROMP organisation-wide climate risk and opportunity assessment. In the next reporting year, we aim to complete all six steps of the climate risk and opportunity assessment.

Through our climate risk assessment, we identified and categorised our material climate-related risks and opportunities. Material organisational risks and opportunities are identified in Table 5. In future years, our disclosure will expand in line with the progressive implementation schedule in the [Commonwealth Climate Disclosure Requirements](#).

Table 5: Categorisation of material climate-related risks and opportunities

Risk or Opportunity Statement	Risk/Opportunity	Risk Type
Health and safety of staff in extreme weather events	Risk	Physical
Safe and reliable access to infrastructure and assets to enable business continuity in extreme weather events	Risk	Physical
Increasing cost of asset management and maintenance	Risk	Physical
Transitioning to new technology to support business continuity for hybrid working	Opportunity	Transition
Reputational opportunity associated with transitioning to net zero ahead of 2030	Opportunity	Transition

These risks and opportunity statements have been assessed across a variety of timeframes and climate scenarios. The relevant timeframes include 2030 (short-term), 2050 (mid-term) and 2090 (long-term), as recommended within the CROMP Organisation Application Guide.

We expect the identified risks to increase in severity over time, with the likely increase in extreme weather events associated with climate change. Conversely, we anticipate the identified opportunities to reduce in benefit over time, reinforcing the value of early climate action. Our [Emissions Reduction Plan](#) sets out our proposed actions in the short term (2030) to act early and maximise the transitional opportunities of moving to net zero.

The current and anticipated effects on RIC's operational model include:

- reduced staff productivity associated with:
 - reduced access to offices and technology in extreme weather events such as cyclones, floods and bushfires; and
 - lower productivity in extreme heat events in northern Australia locations.
- increasing asset management and maintenance cost including electricity, insurance and repairs from extreme weather damage.
- supply chain delays or issues impacting access to materials or technology to support RIC's transition to renewable energy sources.

Table 6: Commonwealth Climate Disclosure Index

Criteria	Requirement Summary	Response and Cross Reference
R1(a)	Processes and related policies	See: Approach to risk, fraud and corruption
R1(a)i	The inputs and parameters used, including uncertainties.	See: Approach to risk, fraud and corruption Data uncertainty in climate projections have been managed by using multiple reputable sources. We also aim to improve our internal data reporting systems and processes as we expand into Year 2 and 3 CCD requirements.
R1(a)ii	How the nature, likelihood and magnitude of climate-related risk are assessed.	They are assessed through the Climate Risk and Opportunity Management Program, in conjunction with RIC's Enterprise Risk Management Framework.
R1(a)iii	How climate-related risks are prioritised in relation to other types of risk.	All risks to our organisation, including climate-related risks, were prioritised based on their residual risk rating against our Risk Appetite and Tolerance Statements, in accordance with the Commonwealth Risk Management Policy . The effects of our identified climate-related risks were assessed using the likelihood, consequence and severity criteria from our existing enterprise risk management framework.
R1(a)iv	How the entity manages climate-related risks.	See: Approach to risk, fraud and corruption
R1(a)v	How the entity monitors climate-related risks.	See: Approach to risk, fraud and corruption
R1(a)vi	If (and if so, how) the entity has changed its processes related to climate-related risks.	This is the inaugural report on RIC's climate-related risks and opportunity. Information on what processes are being used is in: Approach to risk, fraud and corruption
R1(b)	The process used to identify, assess, prioritise, manage and monitor climate-related opportunities.	See: Approach to risk, fraud and corruption

Criteria	Requirement Summary	Response and Cross Reference
R1(c)	How the processes for identifying climate-related risks and opportunities inform the entity's overall risk management process.	Risks and opportunities are reported regularly to the Board and its Audit & Risk Committee, with additional briefings to be provided as the need presents itself. Climate-related and non-climate-related risks and opportunities are considered in entirety to inform RIC's overall risk management.
R2(a)	Whether (and how) the entity implements CROMP processes.	See: Approach to risk, fraud and corruption
G1(a)	The Accountable authority responsible for oversight of climate-related risks and opportunities	See: Governance
G1(a)i	How the accountable authority's responsibilities for climate risks are reflected in terms of reference, mandates, or policies.	The Board's role, as detailed in the Board Charter , includes oversight of the enterprise risk framework, Risk Appetite Statement, and compliance with the PGPA Act, PGPA Rules, RIC Act and RIC Operating Mandate.
G1(a)ii	How the accountable authority ensures skills to oversee climate strategies are available or developed	The Board's self-evaluation and skills matrix review did not identify any relevant skills gaps. Where needed, the free climate-related resources on the APS Academy will be used to build internal capability.
G1(a)iii	How and how often the accountable authority is informed about climate risks and opportunities	The Board is kept informed about climate risk and opportunities through relevant quarterly farm business loan reports, with additional briefings to be provided as the need presents itself. Climate-related and non-climate-related risks and opportunities are considered in entirety to inform RIC's overall risk management.
G1(a)iv	How the accountable authority considers climate risks in strategy, risk management, and major transaction decisions	Our CEO and Board are responsible for ensuring the framework in place to manage risk is embedded in our aligned policies and plans, including our Corporate Plan, Emissions Reduction Plan and risk management approach. Our loan guidelines and eligibility criteria also consider climate-related risks and opportunities. This includes the requirement for all businesses applying for a loan to have a drought management plan in place. Our risk management approach is detailed in the following sections: Governance Approach to risk, fraud and corruption
G1(a)v	How the accountable authority sets and monitors climate-related targets	See: Appendix 1: Climate Statement
G1(a)vi	How the accountable authority deputises risk oversight to a specific management level position or management level committee	The Board work closely with the Audit and Risk Committee to seek advice and assurance on risk reporting and controls. The CEO is responsible for embedding a positive risk culture throughout the organisation and Executive Directors the day-to-day management of risk throughout the business. The roles, responsibilities and membership of the Risk Committee are detailed within the Audit and Risk Committee Charter The climate risk management hierarchy is set out in Figure 2: Climate Governance Structure.
G1(b)	How management oversees governance processes, controls, and procedures for climate-related risks and opportunities	The Board oversees governance for climate-related risks and opportunities, supported by the Audit and Risk Committee. The CEO and Executive Director manage risk culture and day-to-day risk management. See: Governance See: Approach to risk, fraud and corruption
G2(a)	Entity consideration of The Australian Government's Approach to Climate Risk and Opportunity Management in the Public Sector 2024-2026	Climate risk and opportunity management is in the process of being integrated into existing processes and procedures. Our approach aligns with the expectations outlined in The Australian Government's Approach to Climate Risk and Opportunity Management in the Public Sector 2024-2026 that we are identifying and managing climate risks and opportunities.

Criteria	Requirement Summary	Response and Cross Reference
G2(b)	Consideration of the Net Zero in Government Operations Strategy and Commonwealth Risk Management Policy	Optional for corporate Commonwealth entities, the RIC has voluntarily committed to the APS Net Zero goals. See: Approach to risk, fraud and corruption
M0	Objective of category	Achieved through M1
M1(b)	Information on greenhouse gases in accordance with M3	Achieved through M3
M1(c)	Information on targets and progress towards targets in accordance with M5-9.	As per the APS Net Zero Factsheet on the Department of Finance's website.
M3(a)	Greenhouse gas emissions generated in tonnes CO ₂ e	See: Appendix 1: Climate Statement
M3(b)	Greenhouse gas emissions approach, inputs, assumptions and methodologies.	As per the Australian Public Service Net Zero Emissions Reporting Framework on the Department of Finance website
M3(e)	Scope 2 and 3 greenhouse gas emissions using location-based and market-based for electricity-related greenhouse gas emissions.	See: Appendix 1: Climate Statement
M3(f)	Confirmation of the scope 3 emissions categories included.	As per the Australian Public Service Net Zero Emissions Reporting Framework on the Department of Finance website
M5	Quantitative and qualitative climate-related targets it has set to monitor progress towards these targets	As per the APS Net Zero Factsheet on the Department of Finance's website and our publicly available Emissions Reduction Plan .
M6	Information about its approach to setting and reviewing each target identified in M5	As per the APS Net Zero Factsheet on the Department of Finance's website.
M8	Scope of target including greenhouse gases included, scope of emissions sources included	As per the APS Net Zero Factsheet on the Department of Finance's website.
M9	In preparing M5-8 disclosures, disclose information on the APS Net Zero 2030 target and sub-targets	As per the APS Net Zero Factsheet on the Department of Finance's website and our publicly available Emissions Reduction Plan .

APS Net Zero 2030 emissions reporting

Table 7: 2024-25 Greenhouse gas emissions inventory related to electricity usage using the location-based accounting method

Emission source	Scope 1 t CO ₂ -e	Scope 2 t CO ₂ -e	Scope 3 t CO ₂ -e	Total t CO ₂ -e
Electricity (Location-based approach)	N/A	5.26	0.32	5.58
Natural Gas	-	N/A	-	-
Solid Waste	-	N/A	-	-
Refrigerants	-	N/A	N/A	-
Fleet and Other Vehicles	-	N/A	-	-
Domestic Commercial flights	-	N/A	29.76	29.76
Domestic Hire Car	N/A	N/A	1.78	1.78
Domestic Travel Accommodation	N/A	N/A	14.31	14.31
Other Energy	-	N/A	-	-
Total t CO₂-e	-	5.26	46.18	51.44

Notes:

The table above represents emissions related to electricity usage using the location-based accounting method.

CO₂-e – Carbon Dioxide equivalent.

RIC's Solid Waste management is under a shared services agreement. It is not possible to separate its Municipal solid waste data. RIC will work with the landowner to report on solid waste emissions in future years.

Table 8: 2024-25 Electricity Greenhouse Gas Emissions

Emission source	Scope 2 t CO ₂ -e	Scope 3 t CO ₂ -e	Total t CO ₂ -e	Percentage of electricity use
Electricity (Location-based approach)	5.26	0.32	5.58	7,971.72
Market-based electricity emissions	5.28	0.72	6.00	6,521.27
Total renewable electricity consumed	n/a	n/a	n/a	1,450.45
<i>Renewable Power Percentage¹</i>	n/a	n/a	n/a	1,450.45
<i>Jurisdictional Renewable Power Percentage^{2, 3}</i>	n/a	n/a	n/a	-
<i>GreenPower²</i>	n/a	n/a	n/a	-
<i>Large-scale generation certificates²</i>	n/a	n/a	n/a	-
<i>Behind the meter solar⁴</i>	n/a	n/a	n/a	-
Total renewable electricity produced	n/a	n/a	n/a	-
<i>Large-scale generation certificates²</i>	n/a	n/a	n/a	-
<i>Behind the meter solar⁴</i>	n/a	n/a	n/a	-

Notes:

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

CO₂-e = Carbon Dioxide Equivalent

Electricity usage is measured in kilowatt hours (kWh).

¹ Listed as Mandatory renewables in 2023-24 Annual Reports. The renewable power percentage (RPP) accounts for the portion of electricity used, from the grid, that falls within the Renewable Energy Target (RET).

² Listed as Voluntary renewables in 2023-24 Annual Reports.

³ The Australian Capital Territory is currently the only state with a jurisdictional renewable power percentage (JRPP).

⁴ Reporting behind the meter solar consumption and/or production is optional. The quality of data is expected to improve over time as emissions reporting matures.

Appendix 2: Accountable Authority

Table 9: Details of Accountable Authority during the reporting period 2024-25

Name	Post Nominals	Qualifications of the Accountable Authority	Experience of the Accountable Authority	Position Title / Position held	Exec / non-Exec	Start Date (1 July 2024 or after)	End Date (30 June 2025 or before)	No. of meetings of accountable authority attended
Karen Smith-Pomeroy	ADip (Acc), FIPA, FFA, SF FIN, GAICD, AGIA	Associate Diploma (Accounting), Fellow of the Institute of Public Accountants, Senior Fellow of the Financial Services Institute of Australasia, Member Institute of Financial Accountants (UK), Graduate of the Australian Institute of Company Directors, Affiliate of the Governance Institute of Australia	Karen is an experienced non-executive director, with involvement across a number of sectors including agribusiness, energy, property and financial services. She has significant experience as a senior executive in the financial services sector. Karen has specific expertise in compliance, risk and governance, and deep expertise in credit risk and specialist knowledge of a number of industry sectors, including property, energy and infrastructure. Karen is currently a non-executive director of Kina Securities Limited, National Reconstruction Fund Corporation and Queensland Treasury Corporation. Karen is also Chair/member of several audit, risk and compliance committees for commercial and government entities.	Board Chair	Non-Exec	1 July 2024	30 June 2025	4
Prue Bondfield	LLB, Gdip Bus, Mkting, Mngt, MAICD	Bachelor of Laws, Diploma in Project Management, Graduate Diploma of Business, Marketing & Management, Graduate of the Australian Institute of Company Directors	Prue has significant agribusiness and farming expertise from her former role as General Manager and Director of the Palgrove Group, a corporate livestock business with properties in Queensland and NSW. Prue has strong agriculture industry networks from various roles on Commonwealth and State entities and advisory committees. Prue is a Non-Executive Director of Australian Livestock Export Corporation Ltd, and a member of the Harvest Road Advisory Board.	Board Member	Non-Exec	1 July 2024	30 June 2025	4
Sharon Starick	BAGSci(Hons), MAICD	Bachelor of Agricultural Science Honours in Plant Science	Sharon runs a combined grain and pork business in the Murraylands in South Australia. She brings practical on-farm knowledge and over 20 years of experience with industry bodies, natural resource management groups, government boards and other private and public organisations. Sharon is a Board member of Animal Health Australia, and Chair of the Grains Research and Development Corporation.	Board Member	Non-Exec	1 July 2024	30 June 2025	4

Name	Post Nominals	Qualifications of the Accountable Authority	Experience of the Accountable Authority	Position Title / Position held	Exec / non-Exec	Start Date (1 July 2024 or after)	End Date (30 June 2025 or before)	No. of meetings of accountable authority attended
Sally Freeman	BComm, FICA, GAICD	Bachelor of Commerce, Fellow of the Institute of Chartered Accountants, Graduate of the Australian Institute of Company Directors, Member of Chief Executive Women	Sally is an experienced Non-Executive Director with expertise in risk management, financial and internal audit, board governance, and compliance. A Chartered Accountant, Sally was a partner of KPMG for more than 15 years, with experience in leading the internal audit and risk consulting divisions. Sally's current directorships include Netwealth, Netwealth Superannuation Services, Eastern Health, Melbourne Football Club, ADICA and Regis Aged Care. Sally is currently an audit committee member of Health Share Victoria, Commonwealth Games Australia, and Caulfield Grammar, and is RIC's Audit and Risk Committee Chair.	Board Member	Non-Exec	1 July 2024	30 June 2025	4
Mark Tucker	BSci(Hons), EFP ANZSOG	Bachelor of Science (Hons), Executive Fellow Graduate, Australian & New Zealand School of Government	Mark brings extensive experience as a former Deputy Secretary across Australian Government departments including Agriculture, Fisheries, Forestry, Water and Environment, Communications, and the Arts. In 2021, Mark was the Senior Agriculture Industry Engagement Officer for the Federal Government during the COVID pandemic. He also conducted independent reviews of the financial sustainability of the Australian Antarctic Division and the Overseas Agriculture Counsellor Network. He is a Board member at the Institute of Marine and Antarctic Studies at the University of Tasmania and a member of the Australian Antarctic Division Respect and Equality Reform Committee.	Board Member	Non-Exec	1 July 2024	30 June 2025	4

Appendix 3: Audit and Risk Committee

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

[Accountability and reporting - Regional Investment Corporation](#)

Total remuneration for Committee members who are also Board members is reflected in Table 13.

Table 10: Details of Audit Committee during the reporting period 2024-25

Name	Qualifications, knowledge, skills or experience	Number of meetings attended	Total number of meetings held	Total annual remuneration (GST inc.) \$	Additional Information
Sally Freeman	See Table 9: Details of Accountable Authority during the reporting period 2024-25	3	3	\$20,711	Chair
Sharon Starick	See Table 9: Details of Accountable Authority during the reporting period 2024-25	3	3	\$10,086	Member
Emily Canning	Bcomm, FCPA, FCA, GAICD Emily brings extensive public sector and more recently private sector experience to her role on the Committee. She has held senior executive roles in the Australian Government including Chief Financial Officer designation	1	3	\$1,360	Member until 5 August 2024
Scott Brown	FCA, Bcomm Scott has over 15 years of government experience, and has held Chief Financial Officer roles in large and small government agencies, as well as Audit Committee experience. He brings an understanding of organisational financial and governance frameworks.	2	3	\$6,025	Member appointed from 1 October 2024

Appendix 4: Management of human resources

Table 11: All Ongoing Employees (2024-25)

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	22	0	22	23	8	31	0	0	0	0	0	0	0	0	0	53
Qld	3	1	4	6	0	6	0	0	0	0	0	0	0	0	0	10
SA	1	1	2	1	0	1	0	0	0	0	0	0	0	0	0	3
Tas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vic	7	0	7	6	3	9	0	0	0	0	0	0	0	0	0	16
WA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ACT	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1
NT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	34	2	36	36	11	47	0	0	0	0	0	0	0	0	0	83

Table 12: All Non-Ongoing Employees (2024-25)

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

Appendix 5: Executive remuneration

CEO & Board remuneration

The RIC Board and CEO are remunerated according to the determination of the Commonwealth Remuneration Tribunal. Statutory superannuation is paid in addition to the fees set by the Tribunal for Board members; however, it is included as part of the remuneration determination for the CEO. Total remuneration for Board members who also undertake Committee roles is reflected below, which includes Committee remuneration as determined by the Remuneration Tribunal.

Remuneration and Work Conditions Policy and Procedure and Industrial Instruments

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

Information about remuneration for senior executives

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

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

Information about remuneration for other highly paid staff

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

Table 13: 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 Chair	\$95,111			\$10,952				\$106,063
Prue Bondfield	Board member	\$47,560			\$7,323				\$54,883
Sharon Starick	Board member and Audit & Risk Committee member	\$56,606			\$6,518				\$63,124
Sally Freeman	Board member and Audit & Risk Committee Chair	\$66,135			\$6,986				\$73,121
Mark Tucker	Board member	\$47,560			\$5,477				\$53,037
John Howard	Chief Executive Officer	\$396,587			\$30,068	\$12,291			\$438,947
Alli Gregory	Executive Director, Program Delivery	\$270,989			\$29,568	\$42,066			\$342,624
Michael Jones	Executive Director, Corporate Services	\$42,800			\$4,969	\$-1,107			\$46,662
Andrew Chambers	Executive Director, Corporate Services	\$203,425			\$23,551	\$11,594			\$238,569

Appendix 6: Compliance index

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

Table 14: Compliance index

PGPA Rule Reference	Page of Report	Description	Requirement
17BE	Contents of annual report		
17BE(a)	14	Details of the legislation establishing the body	Mandatory
17BE(b)(i)	3	A summary of the objects and functions of the entity as set out in legislation	Mandatory
17BE(b)(ii)	3	The purposes of the entity as included in the entity's corporate plan for the reporting period	Mandatory
17BE(c)	14	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)	16	Directions given to the entity by the Minister under an Act or instrument during the reporting period	If applicable, mandatory
17BE(e)	N/A	Any government policy order that applied in relation to the entity during the reporting period under section 22 of the Act	If applicable, mandatory
17BE(f)	N/A	Particulars of non-compliance with: (a) a direction given to the entity by the Minister under an Act or instrument during the reporting period; or (b) a government policy order that applied in relation to the entity during the reporting period under section 22 of the Act	If applicable, mandatory
17BE(g)	10	Annual performance statements in accordance with paragraph 39(1)(b) of the Act and section 16F of the rule	Mandatory
17BE(h), 17BE(i)	15	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)	14, 42	Information on the accountable authority, or each member of the accountable authority, of the entity during the reporting period	Mandatory
17BE(k)	8	Outline of the organisational structure of the entity (including any subsidiaries of the entity)	Mandatory
17BE(ka)	8, 45	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics on full-time employees; (b) statistics on part-time employees; (c) statistics on gender; (d) statistics on staff location	Mandatory
17BE(l)	8	Outline of the location (whether or not in Australia) of major activities or facilities of the entity	Mandatory
17BE(m)	14	Information relating to the main corporate governance practices used by the entity during the reporting period	Mandatory
17BE(n), 17BE(o)	N/A	For transactions with a related Commonwealth entity or related company where the value of the transaction, or if there is more than one transaction, the aggregate of those transactions, is more than \$10,000 (inclusive of GST): (a) the decision-making process undertaken by the accountable authority to approve the entity paying for a good or service from, or providing a grant to, the related Commonwealth entity or related company; and (b) the value of the transaction, or if there is more than one transaction, the number of transactions and the aggregate of value of the transactions	If applicable, mandatory
17BE(p)	8, 11, 16	Any significant activities and changes that affected the operation or structure of the entity during the reporting period	If applicable, mandatory

PGPA Rule Reference	Page of Report	Description	Requirement
17BE(q)	N/A	Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on the operations of the entity	If applicable, mandatory
17BE(r)	15	Particulars of any reports on the entity given by: (a) the Auditor-General (other than a report under section 43 of the Act); or (b) a Parliamentary Committee; or (c) the Commonwealth Ombudsman; or (d) the Office of the Australian Information Commissioner	If applicable, mandatory
17BE(s)	N/A	An explanation of information not obtained from a subsidiary of the entity and the effect of not having the information on the annual report	If applicable, mandatory
17BE(t)	16	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)	14, 44	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)	46	Information about executive remuneration	Mandatory



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 ric.gov.au |  1800 875 675 |  info@ric.gov.au

