

31 January 2024



Dr Wendy Craik
Regional Investment Corporation
Department of Agriculture, Fisheries and Forestry
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QUEENSLAND
FARMERS'
FEDERATION

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Via email: RIC.Act.Review@aff.gov.au

Dear Dr Craik

Re: Independent Review of the Operation of the *Regional Investment Corporation (RIC) Act 2018*

Queensland Farmers' Federation (QFF) welcomes the opportunity to comment on the Independent Review of the Operation of the *Regional Investment Corporation (RIC) Act 2018*. Overall, QFF supports the concept of the RIC and its activities that facilitate investment into the Australian agriculture sector.

Our response focuses on three sections of the Independent Review –

1. Effectiveness of the RIC and concessional loans as a policy tool
2. Products and services
3. More sustainable business model

1. Effectiveness of the RIC and concessional loans as a policy tool

QFF supports the policy objective for RIC to provide concessional loans to improve the long-term strength, resilience and profitability of eligible businesses, and achieve national consistency in the availability of loans and treatment of applicant farm businesses.

QFF supports the provision of a national provider, that can provide a consistent approach to financial products. There is a need for a clear and consistent definition of Primary Producer, across all financial services providers and concessional lenders that is consistent with the Australian Taxation Office definition of primary producer.

The RIC does support eligible farmers to improve their long-term strength, resilience and profitability, and QFF believe there is scope for more flexibility in loan terms and products that reflect the changing landscape of farming.

2. Products and services

QFF recommends more flexibility in loan products and concessional lending terms to reflect the change to farming practices and market requirements. This could include products that enable farmers to invest in new ventures, and new markets such as the energy or carbon markets. Products should also come online when government legislation or market access requires major capital infrastructure investment, such as international ESG targets.

Concessional lending terms could be more flexible to enable 10 year terms be shortened or lengthened depending on the market need. Long term major infrastructure builds could be encouraged with a similar long-term repayment schedule by the RIC. Short-term restocking, replanting or infrastructure rebuilds from a natural disaster could also be encouraged with short-term loan products at concessional rates.

3. More sustainable business model

To enable continuity and provide assurance to farmers and the agricultural sector of the RIC service, QFF proposes that a more sustainable business model is considered. A revolving facility could be established through the retention and reallocation of repaid loan funds. This should in effect, provide a cost-neutral model to government whilst ensuring the long-term existence and viability of this valuable service.

Concessional lending remains a highly successful mechanism for government to facilitate and deliver support to the agricultural sector and directly contribute to the future viability of food and fibre production and security in Australia.

QFF supports the long-term continuation and increased flexibility in the delivery of loan products appropriate to the changing needs of agriculture.

If you require any further comments, or would like to discuss further, please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink that reads 'Jo Sheppard'.

Jo Sheppard
Chief Executive Officer