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22 December 2023

RIC Act Review Secretariat  
Department of Agriculture, Fisheries and Forestry

Dear Sir/Madam

National Australia Bank (NAB) welcomes the opportunity to provide input to the review of the operation of the Regional Investment Corporation (RIC) Act by the Department of Agriculture, Fisheries and Forestry. As a member of the Australian Banking Association, NAB also contributed to their submission to the review.

As Australia's largest business bank and the largest provider of finance to the agriculture sector, NAB believes the RIC has been an important source of support for our regional and agribusiness customers. NAB recognises the key role that the RIC plays in helping farmers experiencing hardship as the result of natural disasters or drought. In this respect, NAB would encourage the Government to consider broadening the scope of the RIC to allow for loans or grants of financial assistance to be made available to farmers impacted by severe crop or animal disease outbreaks (e.g. lumpy skin disease) or other dramatic changes in market conditions (e.g. the recent downturn in the sheep and cattle market).<sup>1</sup>

NAB also supports the continuation of RIC's AgriStarter Loan, which is playing a role in de-risking the primary bank exposure position on loans to assist first-time farmers and support farm succession arrangements. This is important as appreciating land values make it increasingly difficult for financiers to support first farmers into their own property. While young farmers can come with new ideas and a willingness to engage new technologies on the farm, banks are regularly faced with lower than preferred equity levels, a lower level of management experience and often require off-farm income to support these types of transactions. NAB welcomes the support of the AgriStarter Loan to share the risk associated with helping young farmers to get into the industry.

NAB supports the role of the RIC in the landscape of finance for agriculture, among other risk mitigation tools to support farmers during times of hardship. These include:

- Farm Management Deposits, which help primary producers manage their cash flow during times of natural disasters or drought, and
- Farm debt mediation, which helps parties find constructive solutions to issues.

Thank you again for the opportunity to contribute to the review. We look forward to ongoing engagement on the RIC, as well as other risk mitigation tools that support farmers during times of hardship. We would be happy to discuss any aspect of our response with the RIC Act Review Secretariat.

Yours sincerely

Khan Horne  
Executive, Regional & Agribusiness Australia  
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<sup>1</sup> [Australian sheep, cattle prices slump as El Nino scorches pastures | Reuters](#)