

Media release

1 July 2019

RIC rate drop puts cash back in farmers' pockets

The Regional Investment Corporation's variable rate across its suite of farm business loans will drop 47 basis points to 3.11 per cent from 1 August 2019, RIC CEO Bruce King said today.

"On average our rate is 2 per cent lower than the commercial lenders, which equates to a saving of \$102,000 over the five-year interest only period. The August rate cut brings the total saving to \$125,500 – now that's not a number to be sniffed at," Bruce King said.

"Smart farmers are finding it hard to turn away from the savings and opportunity our loans present.

"In the past financial year, we've approved 172 loans to the value of close to \$166 million.

"If you haven't considered our finance before now, I encourage you to call us – or speak to your accountant – and have a chat about your business and the plans you have for the future."

About the RIC

The Regional Investment Corporation provides affordable finance for farmers to modernise and diversify their business; and state and territory governments for transformative water projects. Our loans encourage growth, investment and resilience in Australia's regional communities. We opened on 1 July 2018. For more information visit ric.gov.au or call 1800 875 675 (Monday to Friday, 8:30am – 5:30pm local time).

Our variable interest rate is linked to the 10-year bond rate and is reviewed twice a year. It's set at a level that covers the cost to the government of raising the capital for the loans and our operating costs. From August, our farm business loan rate will drop from 3.58 to 3.11 per cent and our water infrastructure loan rate will drop from 3.12 to 2.65 per cent.

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