

2023 — 2026

Corporate Plan

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1. From the Chair

As Chair of the Northern Australia Infrastructure Facility (NAIF), the accountable authority, and on behalf of the Board, I am pleased to present the 2023 Northern Australia Infrastructure Facility Corporate Plan (Plan).

The Plan showcases how we intend to invest in the growth of northern Australia, supporting the Australian Government's agenda for the region. We will deliver through partnerships, developed via respectful and meaningful engagement, across all levels of government and with industry stakeholders.

NAIF has supported a portfolio of ambitious and transformational projects that has grown the northern Australia economy, that will continue in the decades to come, and lift living standards. With nearly \$4 billion in Investment decisions to-date which will achieve ~ \$29 billion in public benefit for northern Australia, and an ever growing diverse portfolio of projects in our pipeline, this Plan shows how we will continue to support the economic and social development in the region, and create long-term productivity benefits for producers, businesses and communities in the north.

NAIF's ability to assist more projects has been enhanced as the Australian Government has provided an additional \$2 billion through new legislation. This funding will further support the Australian Government's regional and northern Australian agenda, ensuring increased investment in projects aligned with broader priorities such as climate ambitions, and renewables investment for local job creation, and achieving better outcomes for Indigenous Australians. Under the legislation, NAIF can now support economic development in the Indian Ocean Territory communities of Christmas Island and the Cocos (Keeling) Islands. NAIF will now engage with local stakeholders on how it can best support the development of local facilities and services.

Through our work, NAIF will continue to help diversify the geographical spread of economic activity across the Nation. Our portfolio will continue to play an important role in supporting the Government to reach its emissions reduction targets. Every NAIF partnered project is required to have a sustainable and achievable Indigenous Engagement Strategy; we remain committed to further support the expansion and promotion of Indigenous opportunities and outcomes.

The NAIF Board is focused on and committed to fostering a diverse and inclusive workplace. As we grow and mature over the coming period we will continue to invest in people, infrastructure and information security capabilities, which will underpin the delivery of our purpose. In the rapidly changing environment we remain flexible, anticipating and responding to the changing needs of the industry sectors we support.

On behalf of the Board, I look forward to working with members of our community and partners across Government and industry, as we strive to deliver our shared agenda in supporting the regions, cities and territories of northern Australia.

This Plan covers the three-year period from 2023-24 to 2025-26 as required under clause 35(1)(b) of the *Public Governance, Performance and Accountability Act 2013*. The plan is prepared in accordance with the *Public Governance, Performance and Accountability Rule 2014*. The Plan covers a three-year period as the *Northern Australia Infrastructure Facility Act 2021* (NAIF Act) allows financing decisions up to 30 June 2026. The statutory review of NAIF operations is scheduled to occur as soon as possible after 1 July 2024. Once NAIF has received direction post that review it will set appropriate strategy and targets to measure NAIF's success in the period post 30 June 2026.



A handwritten signature in black ink, appearing to read 'Tracey Hayes', written over a light blue circular stamp or seal.

Tracey Hayes

CHAIR

Northern Australia Infrastructure Facility

2. Our Purpose

We contribute to the Nation by proudly investing in the growth of northern Australia.

We achieve this purpose by fulfilling our legislative functions, which are:

- to provide financial assistance to the States and Territories, and direct to other entities for the development of northern Australia economic infrastructure; and
- to determine terms and conditions for financial assistance; and
- to provide incidental assistance to the States and Territories in relation to financial arrangements and agreements related to the terms and conditions of financial assistance.

NAIF finances (or facilitates the development of) infrastructure projects including assets that enable the establishment or enhancement of business activity or increase economic activity in a region. We finance projects such as physical structures, assets (including moveable assets) or facilities which underpin, facilitate, or are associated with:

- Proudly Investing
- Growing northern Australia
- Delivering Indigenous Outcomes
- Contributing to the Nation

NAIF’s contribution to the Nation is reflected in the public benefit value generated by NAIF funded projects. This includes an analysis of the economic impact, employment opportunities, regional income and business for local suppliers.

We are a Corporate Commonwealth Entity with an independent Board that is the Accountable Authority for NAIF activities. This includes determining our strategy, defining risk appetite and ensuring the proper, efficient and effective performance of NAIF’s functions.

We are part of the Department of Infrastructure, Transport, Regional Development, Communications and the Arts portfolio of agencies. Our responsible Ministers are the Hon Madeleine King, MP, Minister for Resources and Northern Australia and Senator the Hon Katy Gallagher, Minister for Finance.

Figure 1: NAIF’s Purpose & Performance Measures

We contribute to the nation by proudly investing in the growth of northern Australia



Proudly Investing

NAIF's purpose is to play a unique role in Australia's finance industry, ensuring that these important projects, which may otherwise have historically been outside of appetite for mainstream commercial lenders, are supported into reality. NAIF does not seek to participate in the day-to-day capital requirements of the business community, but rather, aims to place capital into projects that will create long term benefits to northern Australia.

Our specialist expertise enables us to offer innovative financing solutions otherwise not commercially available. In providing financing to support the development of a project, we utilise several financing tools including longer loan tenor, deferral of interest and principal repayments, security and/or cash flow subordination and concessional pricing.

Projects in northern Australia are susceptible to unique risk factors including distance, remoteness, climate and connectivity. At NAIF, we can accept a higher risk as we take longer term strategic positioning than normal commercial lenders, with reference to broader economic and social benefits generated by projects. NAIF finances are not grant funds and in all cases the loan or other finance must be able to be repaid or refinanced.

Growing Northern Australia

All Australians benefit from increasing economic activity across northern Australia. At NAIF, our investing accelerates participation in the development of new industry sectors, production processes and technologies.

At NAIF we proudly invest in projects that generate an expansion of employment, training and local procurement opportunities. These projects are designed to grow existing business activity and create an environment conducive to stimulating the establishment of new business enterprises.

Through our investing activities, we endeavor to focus on projects that generate real and sustained population growth across northern Australia which in turn contributes to the creation of strong, vibrant, and sustainable local communities that espouse a lifestyle that makes the north an attractive place to live, work, play and raise a family.

Delivering Indigenous Outcomes

At NAIF we respect the deep connection to land and waters held by Indigenous peoples. We recognise that a large percentage of land and waters across northern Australia is part of the Indigenous estate. We require each proponent, via a formal Indigenous Engagement Strategy (IES), to provide an Indigenous participation, procurement and employment strategy tailored for the Indigenous groups of the area or region of the proposed project.

Through the work of our dedicated Indigenous Outcomes team, and organisational collaborative approach, we work with proponents and Indigenous groups to ensure the opportunities and outcomes that are formally addressed in the IES process are sustainable and achievable.

Contributing to the Nation

The future economic prosperity of the Nation is dependent on the continued growth of northern Australia. Achieving this outcome is contingent on investing in infrastructure across the north. At NAIF, we proudly invest in wide-ranging projects that facilitate the establishment or enhancement of business activity or increase economic activity in a region. Eligible projects bring new capacity online either through the construction of new infrastructure or by materially enhancing existing infrastructure.

We can support a diverse array of projects across industry sectors such as, resources (including critical minerals, oil and gas), transport, agriculture and water, energy (including renewables generation, transmission and transition fuels), social infrastructure (including housing, tourism, education and health), manufacturing and communication, but are not limited to these sectors.

Our projects must evidence broad based public benefit, including benefits to the broader economy and community, beyond those captured by a project proponent.

3. Key Activities

At NAIF our key activities are designed to deliver on our purpose to contribute to the Nation by proudly investing in the growth of northern Australia.

Financing transformational opportunities in northern Australia

Our highly qualified and skilled team have developed a toolbox of innovative financing products to accelerate the development of a wide range of infrastructure projects across northern Australia. This includes:

- **Debt products & structures** – including corporate loans, foreign currency loans, letters of credit and guarantees. We offer financing solutions otherwise not commercially available. NAIF also considers the contribution required to encourage private sector financiers participating in financing projects.
- **Financing partnerships** – NAIF will partner with organisations experienced in working with smaller businesses to make NAIF finance more accessible to smaller infrastructure projects.
- **Other financing options** – NAIF will look at ways to optimise its mandate through bespoke financing arrangements.
- **Developing partnerships** – NAIF will work with aligned government and private sectors partners across jurisdictions and sectors to encourage and support new infrastructure projects across northern Australia.
- **Concessional funding** – NAIF can utilise concessional financing tools which include longer loan tenor, deferral of interest and principal repayments, security and/or cashflow subordination and concessional pricing

Our risk appetite has been developed to enable NAIF to deliver innovative financing products to benefit northern Australia. We have capacity to accept a higher level of risk due to our long-term view, particularly when considering factors unique to investing in northern Australia including distance, remoteness, and climate. In this way, we can support appropriate northern Australian projects to obtain capital and start generating real and sustained economic growth across this region.

We encourage private sector participation in financing projects in northern Australia and structure our support to promote this outcome. If early support from NAIF ultimately results in a project attracting its full funding requirement from the private sector, such that no NAIF finance is required, this is regarded as a win for NAIF, as well as stakeholders. This is because the project will provide a basis for economic activity and benefit to northern Australia without the need for NAIF funds.

All NAIF projects can be broadly defined as transformational to northern Australia. This may be to an industry or sector, for a region of northern Australia, or for a local community. Our investing can accelerate participation in the development of new industry sectors, production processes and techniques, and technologies.

This will generate an expansion of employment and training opportunities across northern Australia and contribute to the creation of strong, vibrant, and sustainable communities.

Facilitate economic and sustainable growth

All NAIF projects must contribute to economic growth and stimulate population growth through generating jobs in northern Australia.

At NAIF we invest in a diverse range of sectors that are vital economic drivers of northern Australia. Each project must demonstrate net benefits to the broader economy and community beyond those captured by the proponent. In addition, proponents must consider opportunities for local employment and business for local suppliers. In this way projects will contribute to sustained local growth and boost the capabilities of the northern Australian ecosystem.

Our focus on economic impact is a key differentiator from other lenders. If NAIF offers any concessional pricing or terms, the quantifiable value of the public benefit must exceed the value of concessions offered.

Expand and promote Indigenous opportunities and outcomes

Indigenous Australians have a fundamental role in northern Australia and with our young Indigenous population consistently growing, our Indigenous populations will be the future of northern Australia. We acknowledge this with every project financed being required to have an IES.

These bespoke strategies must provide appropriate opportunities for participation, procurement, and employment. These opportunities must be designed for both the construction and operational phases of the project. Opportunities must be suitable for the project and commensurate to the length of the NAIF loan, in this way maximising opportunities for the local Indigenous community and providing achievable and sustainable outcomes.

Through NAIF's dedicated Indigenous Outcomes team and collaborative approach, we support proponents and Indigenous groups to develop opportunities that are tailored to the Traditional Owners and regional Indigenous people, delivering outcomes that are sustainable and achievable. We expect proponents to develop viable and measurable targets for each project.

All IESs must be informed by relevant legal or social determinants of common law land holders. This includes Native Title Act, Aboriginal Land Rights Act and other agreements such as Indigenous Land Use Agreements, Reconciliation Action Plans, and existing engagement, training, education, employment and procurement initiatives, processes, policies, and operations. It is in this way that NAIF will ensure the IES developed for each project builds on any existing engagement and expands or deepens initiatives for the benefit of Indigenous communities and northern Australia more broadly.

Monitoring and reporting requirements are agreed with each proponent in the NAIF facility documentation with communication opportunities identified and an IES clause included and agreed upon to support performance.

In addition, NAIF is encouraging and supporting Indigenous participation and has a target of supporting two projects with significant Indigenous ownership each year.



Image: Kimberley Cotton Company, Cotton Gin Facility, Kununurra, WA

4. Performance Measures

Our key performance measures and targets are aligned with our purpose and mandate. They are supported by our overall strategy and risk appetite, as set out and monitored by our Board.

NAIF has developed three years of performance targets in alignment with section 8 of the NAIF Act, which allows investment decisions being made up to 30 June 2026. The Minister for Northern Australia, through the Department of Infrastructure, Transport, Regional Development, Communications and the Arts will undertake a statutory review of the NAIF Act as soon as possible after 30 June 2024. Performance measures and targets for the period after 30 June 2026 will be established post the review recommendations.

In FY2022-23 the NAIF Board strengthened its performance measures to reflect the refined strategy and purpose and in FY2023-24 the Board has further enhanced the performance metrics as reflected in the table below.

Contributing to the Nation

Table 2: Our performance criteria

High level activities	Intended outcomes for northern Australia
<ul style="list-style-type: none"> Strengthening the Nation's future economic prosperity through investments that support continued economic growth of northern Australia. Financing projects that bring new capacity online through the construction of new infrastructure or by materially enhancing existing infrastructure. Supporting projects that evidence broad based public benefit and generate benefits to the broader economy and community beyond those captured by a project proponent. 	<ul style="list-style-type: none"> Job creation Provide benefits beyond an economic return to project proponents Maximise Public Benefit and Indigenous Outcomes Contribution to net zero and renewable energy transformation

What will be measured and reported?	Year			
	2023-24	2024-25	2025-26	2026-27 ¹
Public Benefit ratio – Public Benefit / NAIF loan for new investment decisions	>10	>10	>10	TBC
Methodology: track aggregated \$ values for investment decisions specific public benefit.				
Job Creation – Annual, cumulative calculation for new investment decisions	>5	>5	>5	TBC
Methodology: total forecast jobs / total NAIF loan value \$m for new investment decisions.				

¹ FY2026-27 is to be confirmed (TBC) as outlined above, the NAIF Act currently prohibits any decisions after 30 June 2026

What will be reported?	Year			
	2023-24	2024-25	2025-26	2026-27 ¹
Comparison of actual project data and outcomes against forecast	Project Evaluation within two years of project completion			TBC
Methodology: independent review				
Annual publication/reporting on project outcomes (staged approach)	Measuring annual and cumulative project outcomes for financed projects			TBC
Methodology: documented at time of investment decision (forecast), progress reporting and project completion sign off				
Supporting job creating projects that will secure working opportunities in northern Australia	Number of jobs during construction			TBC
Methodology: part of obligations/portfolio reporting on actual jobs				
Supporting job creating projects that will secure working opportunities in northern Australia	Number of ongoing jobs			TBC
Methodology: part of obligations/portfolio reporting on actual jobs				
Environmental, Social and Governance (ESG) Reporting	Number of projects providing ESG performance reporting			TBC
Methodology: part of obligations/portfolio reporting on actual jobs				
Energy Efficiency Financed	\$ value of energy efficient investment across industries			TBC
Methodology: investments decisions as documented in the deal management system				
Clean Energy Capacity Financed	\$ value of installed capacity of renewable investments across industries			TBC
Methodology: investments decisions as documented in the deal management system				
Clean Energy Capacity Financed	# MW/GW of installed capacity of renewable investments across industries			TBC
Methodology: investments decisions as documented in the deal management system				
Support for net zero targets linked to projects in the critical minerals area	\$ value of critical minerals investment			TBC
Methodology: investments decisions as documented in the deal management system				

¹ FY2026-27 is to be confirmed (TBC) as outlined above, the NAIF Act currently prohibits any decisions after 30 June 2026



Image: Merricks Capital PTY, Hudson Creek Power Station and Solar Farm, NT

Proudly Investing & Growing Northern Australia

High level activities	Intended outcomes for northern Australia
<ul style="list-style-type: none"> Offering innovative financing solutions that address the unique risk factors that projects in northern Australia are susceptible to, including distance, remoteness, climate and connectivity. Investing in projects that will create long term benefits to northern Australia, increase economic activity and accelerate participation in the development of new industry sectors, production processes and technologies. Growing existing business activity and supporting an environment conducive to stimulating the establishment of new business enterprises by investing in projects that generate an expansion of employment, and training and local procurement opportunities. 	<ul style="list-style-type: none"> Support new and existing industries across the north Provide benefits beyond an economic return to project proponents Encouraging private sector investment Supporting ancilliary industries and businesses to support current and future key infrastructure developments

What will be measured and reported?	Year			
	2023-24	2024-25	2025-26	2026-27 ¹
Dollar value of investment decisions	\$1.0bn-\$1.25bn	\$1.0bn-\$1.25bn	\$1.0bn-\$1.25bn	TBC
Methodology: investments decisions as documented in the deal management system				

What will be reported?	Year			
	2023-24	2024-25	2025-26	2026-27 ¹
Support across Jurisdictions	Balanced geographical spread			TBC
Methodology: jurisdiction analysis of financial assistance				
NAIF Loan ratio (Private Sector Contribution to NAIF Finance value)	Average Loan to Project size <75% for new investment decisions			TBC
Methodology: track aggregated value / total NAIF loan value \$m				
Capital Deployment (utilisation of funds)	\$ value of distributed funds			TBC
Methodology: track aggregated \$ value of distributed funds in deal management system				

¹ FY2026-27 is to be confirmed (TBC) as outlined above, the NAIF Act currently prohibits any decisions after 30 June 2026

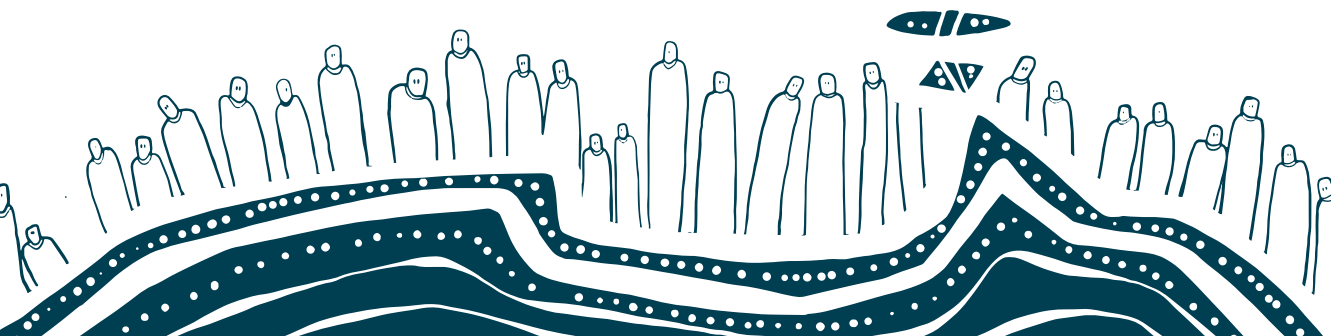
Delivering Indigenous Outcomes

High level activities	Intended outcomes for northern Australia
<ul style="list-style-type: none"> Working with proponents and Indigenous groups to ensure the Indigenous opportunities and outcomes that are comprehensively addressed in the IES process are sustainable and achievable. Delivering project specific Indigenous Engagement Strategies, that provide an Indigenous participation, procurement and employment strategy tailored for the Indigenous groups of the area or region for NAIF financed projects 	<ul style="list-style-type: none"> Employment opportunities for Indigenous Australians Support Indigenous businesses through investment decisions for projects with significant Indigenous ownership Maximise Indigenous Outcomes

What will be measured and reported?	Year			
	2023-24	2024-25	2025-26	2026-27 ¹
Indigenous Strategies	>2 IDs	>2 IDs	>2 IDs	TBC
Methodology: new investment decisions on projects with a significant Indigenous ownership.				
Indigenous Employment Opportunities	>3%	>3%	>3%	TBC
Methodology: annual, average percentage of Indigenous specific jobs for new investment decisions.				

What will be reported?	Year			
	2023-24	2024-25	2025-26	2026-27 ¹
Demonstrate actual contribution to and positive outcomes for Indigenous Australians through Indigenous Engagement Strategies	Investment decision specific outcomes in line with IES procurement component			TBC
Methodology: tracking forecast and actual data on Indigenous procurement spend by NAIF funded projects				
Building strategic partnerships to align and advocate for Indigenous economic development in northern Australia	Indigenous Employment Opportunities, Training/ traineeships/ development & succession			TBC
Methodology: tracking actual data on Indigenous employment opportunities by NAIF funded projects				

¹FY2026-27 is to be confirmed (TBC) as outlined above, the NAIF Act currently prohibits any decisions after 30 June 2026



Artist: Bernard Singleton (c) 2021

5. Operating Context

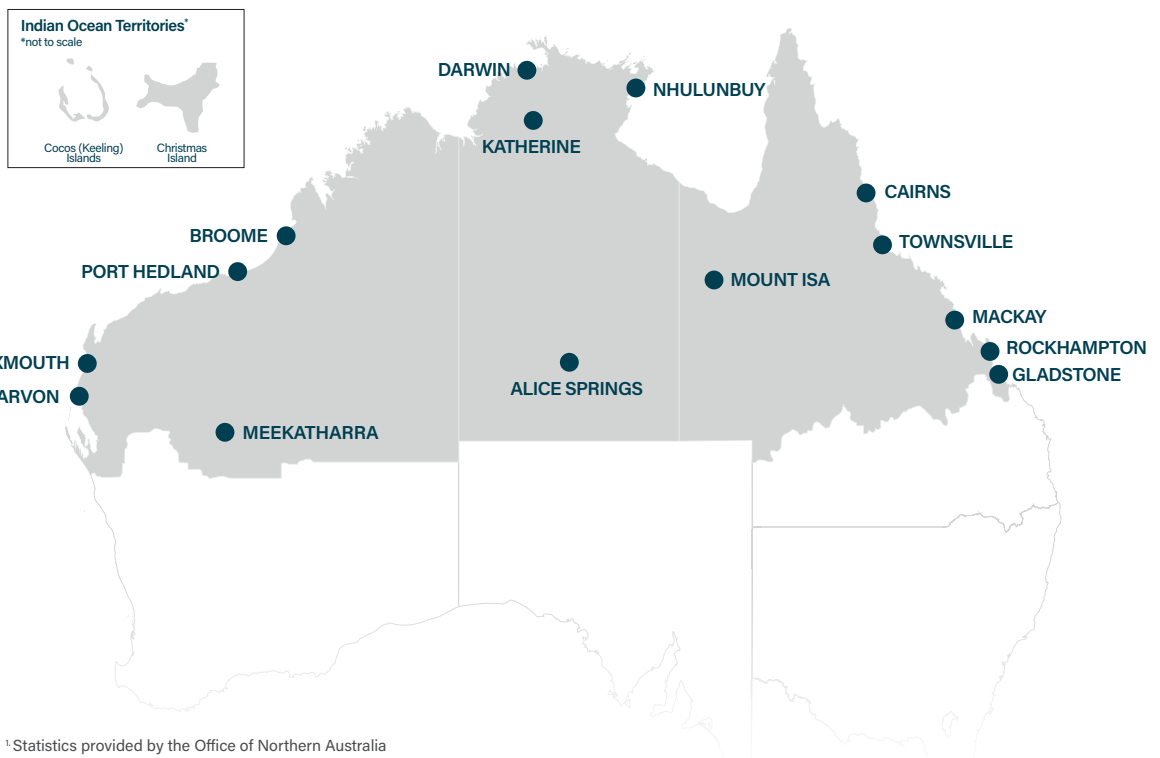
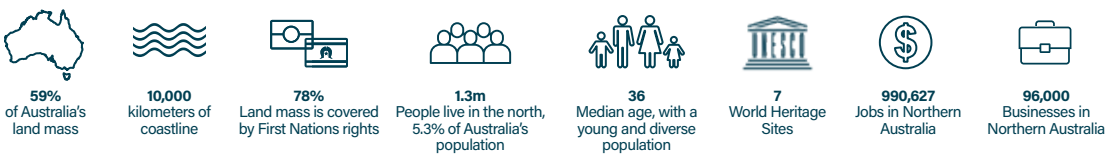
Our ability to deliver on our purpose is influenced by the operating environment, the quality and skills of our people and the systems and processes that facilitate them. Risk management and cooperation with other parties across northern Australia are also key enablers.

5.1 Environment

At NAIF, our focus is solely on northern Australia, which includes the Northern Territory, and those parts of Queensland and Western Australia above, and directly below or intersecting, the Tropic of Capricorn, as illustrated in figure 3 below.

NAIF’s legislation has recently been amended expanding the definition of ‘Northern Australia’ through the inclusion of the territories of Christmas Island and the Cocos (Keeling) Islands, collectively known as the Indian Ocean Territories.

Figure 3: Our environment¹



There are several key external factors that directly or indirectly influence NAIF's operating environment and our ability to finance infrastructure projects, and consequently deliver on our purpose.

Table 4: A summary of factors that may impact NAIF's level of reported activity in a given year

Characteristic	Impact on achievement
MACRO AND MICRO ECONOMIC FACTORS	
Fluctuating inflation	Inflation can negatively impact planning certainty and project costs. In many instances, the negative impact of inflation on capital and operating costs are further compounded by the factors unique to investing in northern Australia such as remoteness.
Variability in interest rates	Rising borrowing costs may impact the economic viability of projects causing investment to be deferred.
Unreliable labour market	Competition for labour across northern Australia can and will affect projects both in the construction and operational phase.
Regional housing shortage	The shortage of quality and affordable housing makes it harder to attract skilled workers, which exacerbates the challenges of labour supply for large and remote projects.
Availability of capital	NAIF does not compete with other financiers, rather it works to encourage their participation. Therefore, if finance from other sources becomes available for a project, this will reduce the level of reported activity by NAIF.
Geopolitical risk	Geopolitical events often present threats in terms of potential disruption to long-term strategy but come with their own idiosyncratic characteristics.
Supply chain and logistic issues	Global supply chain issues are impacting existing NAIF projects as well as those in the pipeline.
REGULATORY FRAMEWORK & GOVERNMENT POLICY	
Changes to NAIF Act / Investment Mandate	A change to NAIF legislation may impact the number of projects that are eligible for financing.
Government Policy	Policy in certain sectors such as coal / hydrogen / carbon capture / critical minerals / net zero 2050, could affect the ability of NAIF to finance otherwise eligible projects.
Regulatory changes	Regulatory changes may impact on the ability of projects to obtain necessary approvals and for NAIF to lend to certain projects. At the project level, the ability to obtain appropriate government approvals (e.g., environmental) can impact projects viability or timeline.
GEOGRAPHICAL & PROJECT FACTORS	
Northern Australia location	NAIF financed projects encounter unique factors such as distance, remoteness and climate, and in certain instances these factors provide both opportunities and constraints.
Unique projects	Due to the complexity, remoteness and / or first mover status of many NAIF financed projects, expertise in planning and management is required to bring a project to the point where it is ready to finance. Activities include business case and feasibility studies, engineering and environmental approvals, commercial development including contracts, offtakes, legal, accounting and tax analysis.

5.2 Capability

NAIF has grown in size, complexity, and maturity over the seven years since inception and as a government Special Investment Vehicle (SIV) will continue to invest in its people, infrastructure and information security capabilities that underpin the delivery of our purpose.

In the rapidly changing environment we remain flexible and agile, anticipating and responding to the changing needs of the industry sectors we support.

People

We are committed to NAIF operating as an engaged, high-performance organisation that empowers and supports its people. We value diverse skills, backgrounds and experience that deepen our ability to innovate and deliver on our purpose. We encourage curiosity and foster ingenuity providing bandwidth to develop solutions for proponents investing in northern Australia.

Our focus is on developing technical and leadership capabilities through tailored learning and development opportunities that support our individual and collective growth and enable the business to expand and flex. NAIF also identifies programs to further develop an agile and high performing workforce with the skills needed, now and in the future.

At NAIF we continue to refine and enhance our attraction and retention strategies ensuring we reach candidates that have experience living and working in northern Australia where possible. NAIF remains positioned to anticipating and responding to changes in government policy and market conditions and the needs of proponents and projects investing in northern Australia.

NAIF is committed to building collaborative teams, creating solutions together to identify and develop unique tools to assist with the often complex infrastructure needs in northern Australia. Our values and culture inform our recruitment and engagement processes and the development of our policies.

Systems and Processes

NAIF continues to embrace innovations in technology, systems and processes to help improve service delivery to stakeholders and support new ways of working and connecting. NAIF will leverage the back-office functions of other SIV's including Export Finance Australia, which provides services to NAIF through a service level agreement across corporate and administrative services (including financial management and reporting, human resources, information technology and communications and property management). NAIF will engage specialist subject matter experts as necessary. NAIF will continue working in the following areas:

- Technology-Enabled Transformation - aligned with our leveraging approach, a program has been initiated, looking to mirror a similar uplift program being implemented by NAIF's service provider. This program aims to modernise NAIF's deal management system and processes to enable sustainable growth, reduce risk, and enhance reporting.
- Information security - NAIF is focused on maintaining resilient information security governance in an environment of increased cyber activity. NAIF will continue to align our processes and systems to best practice cyber security standards including the Australian Cyber Security Centre Essential Eight Strategies to Mitigate Cyber Security Incidents.
- Records and information management - uplifting maturity in managing and storing data and records, by providing appropriate technology, processes and governance frameworks to align to good practice.

5.3 Risk Management

Risk Management

NAIF considers risk management as an enabler to seize opportunities to achieve our purpose and strategic business imperatives. Risk Management is an organisation wide responsibility. Effective and sound risk management practices are integral to all aspects of NAIF operations.

Framework

The Risk Management Framework ('Framework') documents our approach to risk oversight, management, and internal controls. It contains a consistent methodology in identifying and managing the risks to achieving NAIF's strategic purpose. The Framework was updated in 2021, and will be revised in 2023 to continue to align to the International Standard for Risk Management, (ISO31000), the PGPA Act, and the updated Commonwealth Risk Management Policy and guidance.

The NAIF Board has a Board Audit and Risk Committee (BARC) to provide governance and oversight of risk management. Quarterly risk and compliance reporting from management, with additional independent oversight from Internal Audit, enables the BARC to monitor the adequacy of internal risk management, and assess the impact of existing and emerging risks within NAIF's operating environment.

The NAIF Board completes an annual review of the Risk Appetite Statement in consultation with NAIF's responsible Ministers as required by the *Northern Australia Infrastructure Facility Investment Mandate Direction 2021* (Mandate). The Risk Appetite Statement sets the level of risk NAIF is willing to accept in pursuit of our purpose and strategic business imperatives, and applies the appetite to all investment decisions. The Risk Appetite Statement reflects the Mandate requirements regarding investment risk, specifically a high-risk tolerance in relation to factors that are unique to investing in northern Australia economic infrastructure, including northern Australia's distance, remoteness, and climate.

Risk Maturity

NAIF is continuing to execute a Risk Maturity Uplift program to achieve an 'embedded' risk maturity by 2024-25 (level 4 out of 5 from Comcover's Risk Management Benchmarking Survey).

Our Risk Maturity Uplift activities for 2023-24 will consist of further embedding our upgraded Governance Risk and Compliance System and associated processes and implementing the requirements of the updated Commonwealth Risk Management Policy. This will include control testing, with a further focus on emerging risks, in addition shared risks will be documented with our Commonwealth Department and delivery partners.

NAIF will conduct a risk culture survey to benchmark our risk culture, with initiatives to be developed to address survey outcomes, strengthening our focus on achieving the 'embedded' risk maturity.

Key Risks

The NAIF Board and management have identified the prevailing Key Enterprise Risks for 2023-24 (see figure 5). The appetite for each Key Enterprise Risk has been established by the Board. It will be applied to each investment decision and organisational activity in pursuit of our strategic purpose. Emerging risks will be examined, and the impact assessed against the Key Enterprise Risk categories.

Figure 5: Key Enterprise Risks

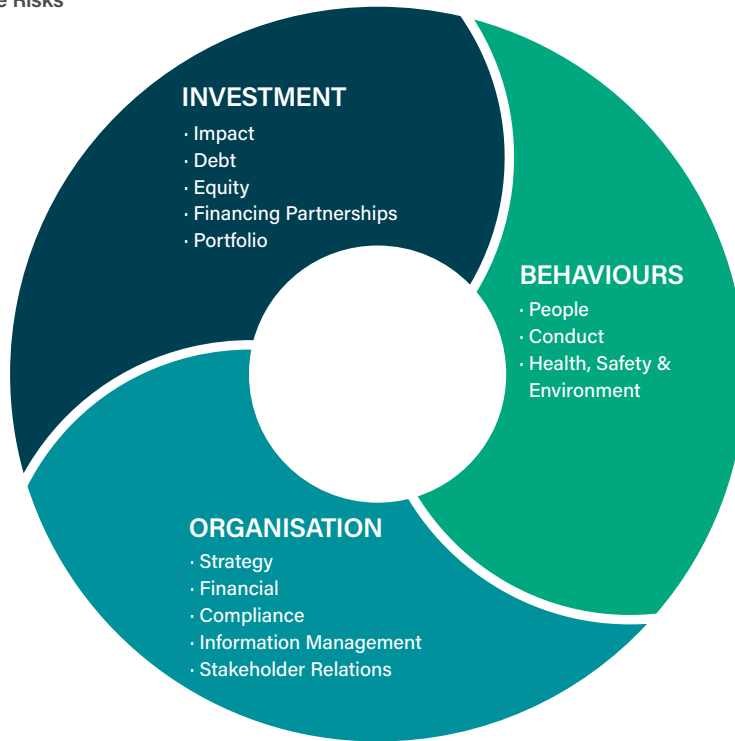


Table 6: How we manage Key Enterprise Risks

INVESTMENT	<ul style="list-style-type: none"> ▪ Comprehensive due diligence process including templates, tools, and technical specialist input to assess each investment opportunity ▪ Internal and Board investment decision process to ensure alignment to our mandate objectives and adherence to our risk appetite ▪ Continuous monitoring and reporting of portfolio performance internally and to the Board
ORGANISATION	<ul style="list-style-type: none"> ▪ Annual strategic planning process with Board and management ▪ Monitoring and reporting of business performance against Corporate Plan objectives ▪ Regular independent review of established financial, compliance, and cyber security processes and controls ▪ Stakeholder management plans, protocols, and regular engagement activities
BEHAVIOURS	<ul style="list-style-type: none"> ▪ Thorough search, assessment, and selection processes to obtain the right talent ▪ Ongoing investment in training and development ▪ Promotion of NAIF values and monitoring of employee behavior in accordance with the Code of Conduct ▪ Flexibility program to support health and wellbeing

5.4 Cooperation

Northern Australia is a diverse and vibrant region with abundant opportunities for driving job growth and investment to benefit all Australians. To achieve our aim of being an innovative financing partner in the region's growth, we prioritise the development of partnerships with like-minded government agencies, private sector entities, and not-for-profit organisations.

Our approach to driving growth in northern Australia hinges upon harnessing the collective efforts of all stakeholders who share NAIF's vision. We recognise and value the diverse capacities, knowledge, and expertise that our partners bring to the table, enabling us to realise this vision. Our approach aligns with the best practice model of the International Association for Public Participation (IAP2). NAIF will also seek to enhance collaboration and develop synergies with other SIVs.

In terms of our cooperation approach, we categorise our engagement as follows:

- Collaborate:** We actively partner with stakeholders to develop mutually agreed solutions and a joint plan of action, fostering two-way or multi-way communication that facilitates learning, negotiation, and decision-making on both sides.
- Involve:** We work directly with stakeholders to ensure understanding and timely consideration of issues, opportunities, and concerns, promoting two-way or multi-way communication that facilitates learning on both sides.
- Consult:** We gather information and feedback from stakeholders to inform our internal decision-making on operational and policy issues, employing limited two-way communication.
- Inform:** We engage in one-way communication to inform or educate stakeholders without seeking their direct response.

Our collaborations extend to various federal government departments and agencies. Furthermore, we prioritise engagement at the jurisdictional level, regularly interacting with the governments of Queensland, Western Australia, and the Northern Territory, alongside regional development bodies, regional advocacy groups, and Local Government. Through these engagements, we aim to identify common interests, coordinate activities, and leverage outcomes across northern Australia.

Our commitment to fostering dialogue and collaboration with stakeholders is exemplified by our active involvement in regional round tables, industry forums, and business events. These platforms facilitate the expansion and strengthening of partnerships while enabling us to gain valuable knowledge and insights that contribute to achieving NAIF's objectives.

To enhance coordination and information sharing for generating economic opportunities for Indigenous Australians, we have established a Memorandum of Understanding (MOU) with the National Indigenous Australians Agency (NIAA), Indigenous Business Australia (IBA), and the Indigenous Land and Sea Corporation (ILSC).

Through collaborative efforts and coordinated actions, our organisations aim to unlock the economic potential of Indigenous Australians across northern Australia.



Image: Pilbara Minerals, P680 expansion, Gascoyne Region, WA

Appendix A.

Performance reporting framework

The performance measures and additional reporting in this Corporate Plan include a mix of types (output, efficiency, and effectiveness), and bases (quantitative, qualitative or a combination) to provide holistic information on the achievement of our key activities.

The tables below provide a summary of the attributes of our reporting based on the definitions in Resource Management Guide No. 131: Developing good performance information (RMG-131) developed by the Department of Finance.

Activity	Number of performance measures reported			Total
	Efficiency	Effectiveness	Output	
Contributing to the Nation	2	2	7	11
Proudly Investing & Growing Northern Australia	0	2	2	4
Delivering Indigenous Outcomes	0	3	1	4

Activity	Number of performance measures reported			Total
	Qualitative	Quantitative	Both	
Contributing to the Nation	0	10	1	11
Proudly Investing & Growing Northern Australia	0	4	0	4
Delivering Indigenous Outcomes	1	2	1	4

Appendix B.

Index of Corporate Plan Requirements

The corporate plan has been prepared in accordance with the requirements of:

- subsection 35(1) of the PGPA Act; and
- subsection 16E(2) of the PGPA Rule 2014.

The table details the requirements met by NAIF's Plan and the page reference for each requirement.

Requirements	Page(s)
Introduction <ul style="list-style-type: none"> – Statement of preparation – The reporting period for which the plan is prepared – The reporting periods covered by the plan 	3
Purposes	4
Key activities	6
Operating context <ul style="list-style-type: none"> – Environment – Capability – Risk oversight and management, including key risks and its management – Cooperation – Subsidiaries (where applicable) 	12 14 15 17 N/A
Performance <ul style="list-style-type: none"> – Performance measures – Targets for each performance measures (if reasonably practicable to set a target) 	8-11 8-11



Image: Voyages Indigenous Tourism - Airstrip Upgrade, Yulara, NT

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