

2020 — 2021

Annual Report



Australian Government

NAIF

Northern Australia Infrastructure Facility



Investing for Impact

The Northern Australia Infrastructure Facility (NAIF) is an Australian Government entity established to facilitate economic and population growth in northern Australia through financing infrastructure projects and businesses and helping to catalyse private sector investment.

NAIF works with project partners in a broad range of industry sectors in the northern Australian economy, including (however not necessarily limited to) resources, energy, transport, agriculture and aquaculture, education, healthcare, tourism and social infrastructure.

NAIF's role is to be an impact investor in northern Australia. We do this by:

- Facilitating the growth of northern Australia;
- Accelerating projects;
- Delivering public benefit;
- Catalysing and crowding in private sector investment; and
- Ensuring strong Indigenous opportunities and outcomes.

Acknowledgment of Country

NAIF acknowledges the Traditional Owners of country throughout Australia and their continuing connection to land, sea and community. We pay our respects to them and their cultures and to their elders, both past and present.





Table of contents

02	Investment Decisions
04	Performance Summary
06	NAIF Investment 2020-21
08	From the Chair
10	From the CEO
12	NAIF Reforms
14	Performance Reports
20	Indigenous Outcomes
23	NAIF Pipeline
24	Annual Performance Statement
32	Corporate Governance
38	Board
44	Risk Management
46	People
56	Financial Statements
72	Index of Statutory Reporting Requirements
74	Abbreviations and Acronyms

Investment Decisions

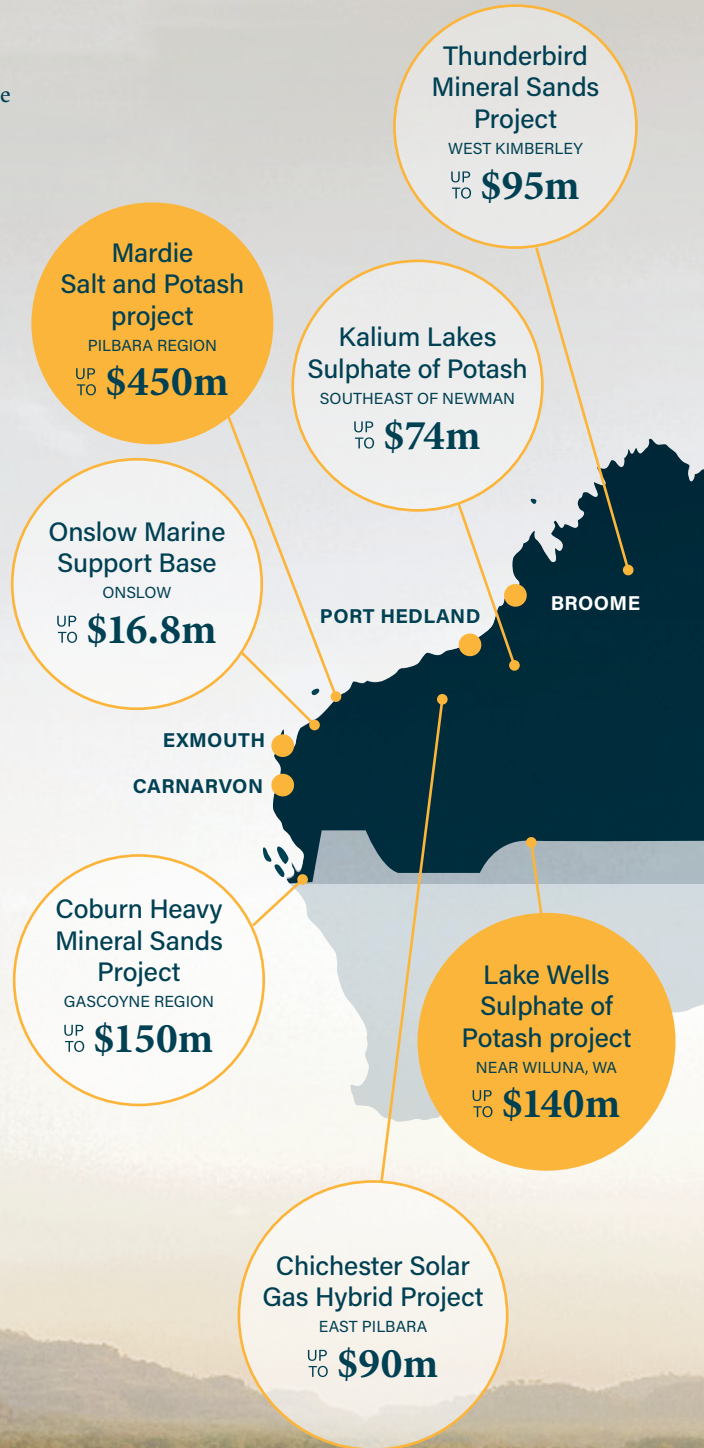
NAIF invests in and supports projects across a range of sectors key to the northern Australian economy.

2020-21 Highlights

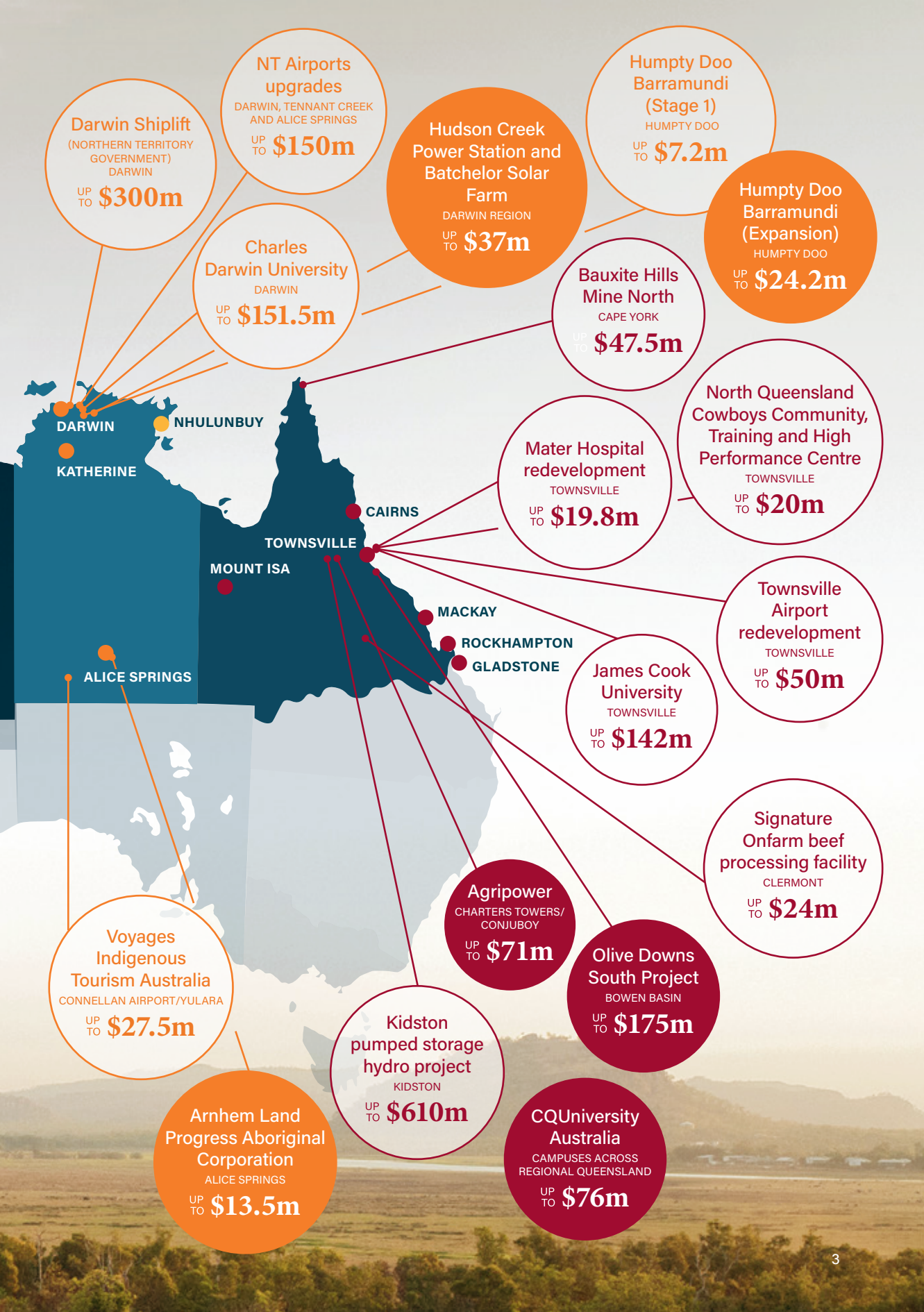
- 11 Investment Decisions to offer loans totalling \$1.1bn, to support projects with a total capital value of \$3 billion in the year to 30 June 2021.
- 11 projects reaching contractual close in the year to 30 June 2021, for a total value of \$1.5 billion.
- Support of projects across range of sectors and regions.
- Key construction milestones achieved for a number of NAIF supported projects.

Summary of NAIF Investments

- WA Investment Decisions FY2020-21
- WA Existing Financings
- QLD Investment Decisions FY2020-21
- QLD Existing Financings
- NT Investment Decisions FY2020-21
- NT Existing Financings



This list is a summary of NAIF investment decisions. The list may not include investments currently under Ministerial consideration, under embargo and/or commercial in confidence, subject to Ministerial veto, or projects which have undergone a subsequent commercial transaction and are not expected to require NAIF finance.



Darwin Shiplift
(NORTHERN TERRITORY GOVERNMENT)
DARWIN
UP TO **\$300m**

NT Airports upgrades
DARWIN, TENNANT CREEK AND ALICE SPRINGS
UP TO **\$150m**

Hudson Creek Power Station and Batchelor Solar Farm
DARWIN REGION
UP TO **\$37m**

Humpty Doo Barramundi (Stage 1)
HUMPTY DOO
UP TO **\$7.2m**

Humpty Doo Barramundi (Expansion)
HUMPTY DOO
UP TO **\$24.2m**

Charles Darwin University
DARWIN
UP TO **\$151.5m**

Bauxite Hills Mine North
CAPE YORK
UP TO **\$47.5m**

North Queensland Cowboys Community, Training and High Performance Centre
TOWNSVILLE
UP TO **\$20m**

Mater Hospital redevelopment
TOWNSVILLE
UP TO **\$19.8m**

Townsville Airport redevelopment
TOWNSVILLE
UP TO **\$50m**

Voyages Indigenous Tourism Australia
CONNELLAN AIRPORT/YULARA
UP TO **\$27.5m**

Kidston pumped storage hydro project
KIDSTON
UP TO **\$610m**

Agripower
CHARTERS TOWERS/ CONJUBOY
UP TO **\$71m**

James Cook University
TOWNSVILLE
UP TO **\$142m**

Signature Onfarm beef processing facility
CLERMONT
UP TO **\$24m**

Arnhem Land Progress Aboriginal Corporation
ALICE SPRINGS
UP TO **\$13.5m**

Olive Downs South Project
BOWEN BASIN
UP TO **\$175m**

CQUniversity Australia
CAMPUSES ACROSS REGIONAL QUEENSLAND
UP TO **\$76m**

Performance Summary

Investment Decisions (by value)

*as at 30 June 2021



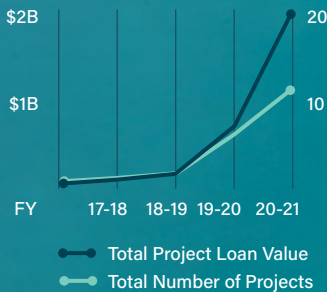
\$3.1B
Total Cumulative
NAIF Investment

\$1.1B
NAIF Investment
in FY2020-21

\$478.5M
FY2018-19
\$1.4B
FY2019-20

Contractual Close (by value)

*as at 30 June 2021



20
Total Projects
contractually closed

11
Projects contractually
closed in FY2020-21

2 Projects
FY2018-19
6 Projects
FY2019-20

\$2B
Total Loan Value of Projects
contractually closed

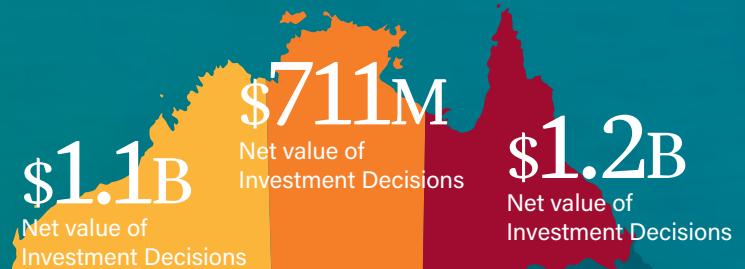
\$1.5B
FY2020-21 Loan Value of
Projects contractually closed

\$459M
FY2018-19
\$1.4B
FY2019-20

*A total of \$354.4m in disbursements (including capitalised interest), drawn at borrowers' request, at 30 June 2021.

Support by Geography

*Total public benefit forecast on approved projects during FY2020-21 totals \$9.6bn.



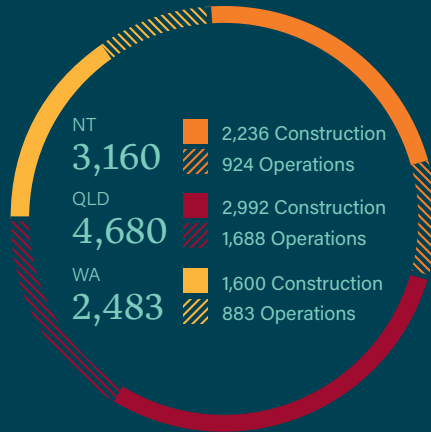
Economic Impact to Northern Australia

Projects since 2016

10,323
Forecast Jobs

6,828
Construction

3,495
Operations



Support by Sector

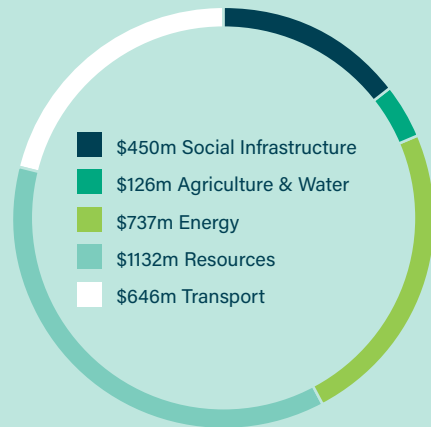
\$1.1B

Total FY2020-21

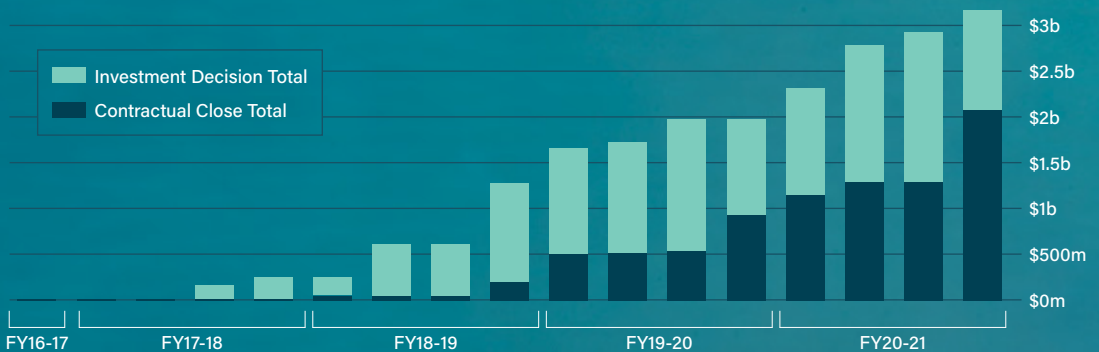
- \$90m Social Infrastructure
- \$95m Agriculture & Water
- \$37m Energy
- \$765m Resources
- \$129m Transport

\$3.1B

Total Cumulative



NAIF Cumulative Progress



NAIF Investment 2020-21

Over the course of 2020-21 NAIF made new investment decisions of \$1.1 billion, with a combined transaction value of \$3 billion.

These projects are forecast to generate around \$9.6 billion in economic impact and support more than 3,700 jobs during construction and operations.

Over the past year, NAIF's record demonstrates continued momentum in investment activity, economic development and supporting jobs across the region.

NAIF's investments in 2020-21 reflected the broad sectors of the northern Australian economy with financing across agriculture, energy, resources and social infrastructure.



Summary of Investment Decisions 2020 – 21

BOWEN BASIN, QLD

Olive Downs South Project

(Pembroke Resources)

NAIF Loan **\$6.2B** **1,249**
 UP TO **\$175M** Forecast Economic Impact Forecast Jobs

CHARTERS TOWERS/CONJUBOY, QLD

Agripower

NAIF Loan **\$256M** **516**
 UP TO **\$71M** Forecast Economic Impact Forecast Jobs

CAMPUSES ACROSS REGIONAL, QLD

CQUniversity Australia

NAIF Loan **\$72M** **474** **200**
 UP TO **\$76M** Forecast Economic Impact Forecast Jobs Jobs Saved

NEAR WILUNA, WA

Lake Wells Sulphate of Potash Project

(Australian Potash Corporation)

NAIF Loan **\$592M** **56**
 UP TO **\$140M** Forecast Economic Impact Forecast Jobs

PILBARA REGION, WA

Mardie Salt and Potash Project

(BCI Minerals)

NAIF Loan **\$2B** **650**
 UP TO **\$450M** Forecast Economic Impact Forecast Jobs

HUMPTY DOO, NT

Humpty Doo Barramundi

(Expansion)

NAIF Loan **\$159M** **271**
 UP TO **\$24.2M** Forecast Economic Impact Forecast Jobs

DARWIN REGION, NT

Hudson Creek Power Station and Batchelor Solar Farm

(Merricks)

NAIF Loan **\$224M** **196**
 UP TO **\$37M** Forecast Economic Impact Forecast Jobs

ALICE SPRINGS, NT

Arnhem Land Progress Aboriginal Corporation

(ALPA)

NAIF Loan **80**
 UP TO **\$13.5M** Forecast Jobs

This list is a summary of NAIF investment decisions. The list may not include investments currently under Ministerial consideration, under embargo and/or commercial in confidence, subject to Ministerial veto, or projects which have undergone a subsequent commercial transaction and are not expected to require NAIF finance. Further information on NAIF's investment decisions can be found at: <https://naif.gov.au/media/reporting/naif-investment-decision-notifications/>

TRACEY HAYES

From the Chair

“I am pleased to commend the 2020-21 Annual Report of the Northern Australia Infrastructure Facility (NAIF). The period to 30 June 2021, our fifth full year of operations, has been successful.”



NAIF is an Australian Government facility that provides funding (up until now purely through loans) dedicated to driving economic activity, job creation and positive Indigenous outcomes in northern Australia.

NAIF invests in a range of sectors that are vital economic drivers of northern Australia. We have supported projects across a wide range of industries, including ports, roads, airports, tourism, education, agriculture, resources and renewable energy. All projects receiving NAIF investment clearly show how they will deliver public benefit, economic and population growth and Indigenous outcomes.

NAIF has supported large projects – such as multi-million dollar renewable and resources projects, funded improvements at a number of regional airports, backed a new beef processing facility and helped critical social infrastructure such as support for a number of our top-class universities.

As this report details, NAIF has a critical role to play in unlocking our region's potential.

NAIF plans to deliver more for the north by implementing a package of reforms that passed the Federal Parliament earlier in 2021. These measures included an extension to NAIF's mandate until 2026 and other reforms designed to increase flexibility and access to NAIF finance. Details of the reforms can be found later in this report.

These reforms give NAIF a renewed focus and momentum. They also position the organisation as a critical element of the Government's refreshed northern Australian economic development agenda. We acknowledge the support of the Prime Minister and the Minister for Northern Australia and look forward to continuing to deliver on the Government's ambitious and comprehensive agenda for northern Australia.

I commenced as NAIF Chair, on a three year term, on 1 July 2021, meaning the period covered by this report was prior to my taking the role. I would like to pay tribute to and thank current NAIF Director Justin Mannolini for performing as acting Chair from March 2021 and to Khory McCormick, the Chair during the majority of the period covered by this report.



Artist impression of NT Shiplift project (Northern Territory Government)

Mr Mannolini has been reappointed to the Board for another three years, as has Kate George and I look forward to their continued experience and insight.

I also formally welcome Stephen Margetic (from the Northern Territory) who was appointed to the NAIF Board from 1 July 2021 on a three year term, along with Australian Government representative Vicki Middleton.

On behalf of the Board, I thank outgoing board members Belinda Murphy, Karla Way-McPhail, Bill Shannon and Barry Coulter for their work and contribution to NAIF.

During the reporting period, changes to the Ministry meant that the Hon Keith Pitt MP ceased to be the Responsible Minister for NAIF, with the Hon David Littleproud MP assuming portfolio responsibilities. We thank Minister Pitt for his support of the development of northern Australia and his ongoing encouragement of the work of NAIF.

Finally, the Board thanks the team of NAIF employees, led by CEO Chris Wade, for the adaptability and commitment they have displayed in continuing to perform during the COVID pandemic.

I would also like to extend my thanks to our jurisdictional and state partners, proponents, financiers, key service providers and regional and industry stakeholders for their contributions and support.

“
I look forward to working
with partners in the year ahead
to help unlock our region’s
undoubted potential.”

Signed for and on behalf of members of the Board in accordance with a resolution of the Board and in accordance with section 46 of the Public Governance and Performance Accountability Act 2013 (PGPA Act).

Tracey Hayes

CHAIR



CHRIS WADE

From the CEO

“During a challenging 2020-21, I am pleased to report that NAIF clearly demonstrated our key role in investing for impact and facilitating economic, population growth and Indigenous outcomes in northern Australia.”



During a challenging 2020-21, I am pleased to report that NAIF continued to undertake our key role in investing for impact and facilitating the growth of northern Australia.

Supporting the region's economic recovery from the COVID-19 pandemic, we made a greater number of investments, expanded the sectors of the northern Australian economy we support, enhanced our regional footprint and accelerated projects across our investment portfolio.

Over the past year, our record demonstrates continued momentum in investment activity, economic development and supporting jobs across the region. Our investments in 2020–21 reflected a diversity of sectors of the northern Australian economy with financing across agriculture, energy, resources and social infrastructure.

And, importantly, during the year NAIF, secured a five year extension to our Mandate along with a key set of reforms that will allow NAIF to drive further investment and support for northern Australia, in the years ahead.

Over the course of 2020-21 NAIF made new investment decisions of \$1.1 billion, with a combined transaction value of \$3.0 billion. These projects are forecast to generate around \$9.6 billion in economic impact and support more than 3,700 jobs during construction and operations.

In total, NAIF has approved financing worth \$3.1 billion to projects generating around \$15 billion in economic impact and supporting more than 10,000 jobs (during construction and operations). This support is spread across the north - \$1.2 billion to Queensland projects, \$1.1 billion to Western Australian projects and \$711 million to Northern Territory projects.

A key milestone for NAIF this year was the significant outperformance of our contractual close target, a key point of economic enablement where our proponents often begin construction and hiring commences. A total of 11 projects achieved contractual close for

a value of \$1.5 billion (double our Corporate Plan target of \$750 million to \$850 million).

Aside from the numbers, you only need to visit some of northern Australia's population centres to see first hand how NAIF is partnering with the private sector to deliver impactful projects right across the north.

During the year a number of existing projects in our portfolio hit key milestones, with construction at an advanced stage at many NAIF-supported projects across Queensland, the Northern Territory and Western Australia. We look forward to many of these projects completing construction and commencing operations over the next 12 months.

A further highlight was reaching financial close on NAIF's largest investment to date, a loan of up to \$610m towards the Kidston pumped hydro project in Queensland. With construction underway, we look forward to continuing to support what will be the first new pumped hydro project in Australia connected to the grid since 1984.

Looking ahead, we are particularly excited by the ability given to NAIF to help 'super-charge' our investment to the northern Australian economy courtesy of the package of reforms approved by the Australian Parliament earlier this year.

This year we took additional steps to ensure NAIF is structured to take advantage of the reforms by further embedding our 'sector-based' approach and through some key executive hires, including a Chief Investment Risk Officer and a Director of Equity.

We are particularly excited that the reforms include steps to help improve access to NAIF finance for proponents seeking smaller loan sizes (i.e. between \$1 and \$10m) across sectors crucial to the northern Australia economy.

Using a 'localised' approach, NAIF will seek to establish a range of partnerships across northern Australia with regional financiers who will provide NAIF funding directly to small-scale proponents seeking investment. Proponents will benefit from more localised decision making on loan approvals and potentially tailored public benefit and Indigenous engagement requirements.

The first partnership arrangement proposed under the new reforms was announced this year. NAIF agreed to work with the Northern Territory Government to use the Territory's Local Jobs Fund to 'on lend' NAIF funds to local proponents of smaller projects.

Driving Indigenous outcomes remains a key area of focus for NAIF. For each financing, NAIF develops and agrees Indigenous engagement strategies with project partners which can include a range of employment, training and/or community engagement outcomes.

Having previously entered into a Memorandum of Understanding with The National Indigenous Australians Agency, Indigenous Business Australia and the Indigenous Land and Sea Corporation, NAIF has worked this year to solidify these relationships and ensure we are well-placed to share information, expertise and potential opportunities supporting Indigenous Australians in northern Australia.

We appreciate the engagement and guidance of our Board under Chair Tracey Hayes and in the year of this report, NAIF's previous Acting Chair Justin Mannolini and Chair Khory McCormick, and our constructive working relationship with the Minister for Agriculture and Northern Australia, the Hon David Littleproud MP. We also acknowledge the contribution of the previous Minister for Northern Australia, the Hon Keith Pitt MP.

Following portfolio changes, NAIF now sits under the Department of Infrastructure, Transport, Regional Development and Communications, supported by the Office of Northern Australia. We recognise and thank government colleagues, including the Department of Industry, Science, Energy and Resources, for their strong support and advice.

As northern Australia progresses towards post-pandemic recovery, we appreciate the scale of the task ahead and look forward to NAIF utilising our refreshed and renewed mandate to work with partners to drive investment and support to the region.

Chris Wade

CHIEF EXECUTIVE OFFICER



NAIF Reforms

NAIF's vision is to unlock northern Australia's full potential by being Australia's leading impact financier and valued partner.

A key focus of any financing is to drive public benefit, economic and population growth, and Indigenous involvement in northern Australia.

To help NAIF do more to grow the north and support the region's COVID-19 recovery, a package of reforms is being implemented to increase flexibility and access to NAIF finance.

These measures follow a Statutory Review of NAIF and the passing of the *Northern Australia Infrastructure Facility Amendment (Extension and Other Measures) Act 2021* in May 2021.

NAIF has been extended for a further five years to 30 June 2026. A new Investment mandate has also been issued.



Key Reforms

Some of the key reforms to NAIF include:



An expanded definition of infrastructure and focus on financing 'development of Northern Australia economic infrastructure'. Northern Australia economic infrastructure is infrastructure that provides a basis for economic growth in Northern Australia; or stimulates population growth in Northern Australia.



The Facility may provide financial assistance in the form of equity investments by making investments itself (including as a participant in partnerships, trusts, joint ventures or similar arrangements), through subsidiaries or other investment vehicles.



Broader definition of public benefit.



Expanded range of debt tools.



Finance for smaller loans, through working with regional financing partnerships.



Financing directly to proponents rather than via the States or Northern Territory, under certain circumstances.



Expanded geography to include the Shire of Ngaanyatjaraku in Western Australia.

IMPLEMENTATION OF REFORMS

NAIF is working during 2021 to implement the reforms.

We are actively seeking to work with potential partners to explore how the reforms can assist in accelerating their project and business development opportunities.

Further updates will be added to the NAIF website, including to the FAQ page here:

<https://naif.gov.au/about-naif-finance/faq/>

PERFORMANCE REPORT

Investing for Impact in Queensland

NAIF continues to play an important role in the development of infrastructure across key sectors of the Queensland economy.

\$1.2B

to Northern Queensland projects

Since inception, NAIF has approved funding of \$1.2 billion to projects, supporting more than 4,600 forecast jobs.

This year, NAIF made three investment decisions in Queensland that are proceeding to financing, worth \$322 million (see below and on next page). Located in regional Queensland, this trio of resources, energy and social infrastructure projects illustrate the diverse breadth of NAIF's investment activity.

\$989M

in contractually closed financings

Alongside the investment decisions, NAIF also worked during the year with the Queensland Government to bring six financings to contractual close. At 30 June 2021, NAIF had reached contractual close on \$989 million of transactions in Queensland. Contractual close is a key measurement of success for NAIF as this is when proponents commence design and construction activities and when job creation starts. NAIF thanks the Queensland Government for their assistance.

\$8.5B

in forecast economic benefits from supported projects

These projects are expected to partially or fully draw on NAIF's funds over the coming year. Projects reaching contractual close were loans to Mater Hospital, JCU Student Accommodation, North Queensland Cowboys, Metro Mining, Genex Kidston pumped hydro and CQU.

4,600+

forecast jobs in supported projects (construction and operations)

NAIF Investment Decisions (2020-21)

BOWEN BASIN

Olive Downs South Project
(Pembroke Resources)

NAIF LOAN UP TO

\$175M

CHARTERS TOWERS/CONJUBOY

Agripower Australia

NAIF LOAN UP TO

\$71M

CAMPUSES ACROSS REGIONAL QLD

CQUniversity Australia

NAIF LOAN UP TO

\$76M



Olive Downs South Project (Pembroke Resources)

NAIF committed up to \$175 million towards construction of Pembroke Resources' Olive Downs South Coking Coal Project, in the Bowen Basin.

Coking coal is an important input to the manufacturing of steel. The project is forecast to create up to 700 jobs during construction and more than 500 new jobs, and approval from the Queensland Government.

NAIF's funding will support the first phase of mine construction including rail and transmission lines, water pipelines, access roads and a coal handling preparation plant.



Agripower Australia

Agripower Australia Limited is an integrated producer of a range of silicon fertilisers and related products for use in agriculture, horticulture, viticulture, organic agriculture, amenity horticulture and lawns and turf.

NAIF this year approved a loan of up to \$71 million to fund a range of capital works projects across the company's silicon fertiliser mining operations in Conjuboy and its processing facility in Charters Towers.

NAIF's financial assistance will help create a significant number of long-term, multi-generational jobs in the Charters Towers region.



CQUniversity Australia

NAIF stepped in to support CQ University Australia's capital expenditure program after the university projected a shortfall in future revenue caused by a sudden drop in international students due to the COVID-19 pandemic.

Through a \$76 million loan, NAIF is funding new construction works, upgrades and refurbishments across university campuses in the north, as well as new and upgraded digital platforms to improve delivery of remote learning.

PORTFOLIO MILESTONES 2020-21

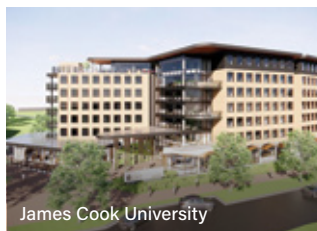
Across NAIF's existing portfolio in Queensland, there were a number of key project milestones during the year.

Supported by a \$20 million loan from NAIF, the **North Queensland Cowboys** opened its elite Community Training and High Performance Centre. Elsewhere in Townsville, **James Cook University's Technology Innovation Complex and Student Accommodation** (NAIF loans of up to \$96 million and \$46 million) as well as **Mater Hospital's** (NAIF loan \$19.7m) redevelopment underwent significant construction progress.

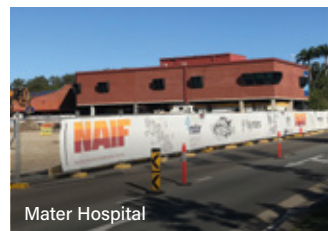
In regional Queensland, construction commenced at the **Genex Kidston pumped hydro project** (NAIF loan \$610 million) and the **Signature Onfarm** beef processing facility near Clermont is close to completion, supported by a NAIF loan of \$24 million.



North Queensland Cowboys



James Cook University



Mater Hospital

PERFORMANCE REPORT

Investing for Impact in the Northern Territory

NAIF continues to focus on key sectors of the Northern Territory economy, helping grow the Territory and deliver on its untapped potential.

\$711M

to Northern Territory projects

NAIF has a strong track record in the Northern Territory, with a portfolio of investments across Transport - (NT Airports - Darwin, Tennant Creek and Alice Springs) (Darwin Shiplift) - Agriculture and Water (Humpty Doo Barramundi), Social Infrastructure (Charles Darwin University city campus project and Arnhem Land Progress Aboriginal Corporation) and Tourism (Voyages Indigenous Tourism Australia).

\$697M

in contractually closed financings

NAIF has approved \$711 million in financing to the Top End over the past four years, supporting more than 3,000 forecast jobs. This year we increased our support to the Northern Territory with a further \$74.7 million in new investment decisions.

3,000+

forecast jobs in supported projects (construction and operations)

A further four projects in the Northern Territory reached contractual close during the year - Charles Darwin University, Darwin Shiplift, Merricks/Hudson Creek and Humpty Doo Barramundi stage two expansion. NAIF thanks the Northern Territory Government for their assistance in closing these financings in a timely fashion.

NAIF Investment Decisions (2020-21)

DARWIN REGION

Hudson Creek Power Station /Batchelor Solar Farm

(Merricks Capital)

NAIF LOAN UP TO
\$37M

HUMPTY DOO

Humpty Doo Barramundi

NAIF LOAN UP TO
\$24.2M

ALICE SPRINGS

Arnhem Land Progress Aboriginal Corporation

(ALPA)

NAIF LOAN UP TO
\$13.5M

\$2.4B

in forecast economic benefits from supported projects



Hudson Creek Power Station/Bachelor Solar Farm (Merricks Capital)

Two new energy projects will help modernise Darwin’s energy networks and reduce reliance on older and less-efficient gas and diesel generators.

Through a \$37 million loan from NAIF, Merricks Capital Ltd is constructing a new 12 megawatt gas-fired power plant in Darwin and a 10 megawatt solar and battery farm near Batchelor, 100 kilometres south of Darwin.

Linking with existing transmission infrastructure between Darwin and Katherine, the projects will supply up to 90 per cent of future electricity generation needs for the Territory’s largest private energy retailer Rimfire.

Under the funding agreement, the project proponents are working with the Larrakia National Aboriginal Corporation to deliver a range of initiatives including cross-cultural awareness training to employees and contractors.

Humpty Doo Barramundi

NAIF finance has helped enhance the Northern Territory’s reputation as a leading supplier of premium saltwater farmed barramundi.

Following an initial loan from NAIF, this year Humpty Doo Barramundi was approved for a second financing, worth a further \$24.2 million, to help the company expand operations and enable the family-run business to take advantage of increased demand for high quality Australian seafood.

Works include new ponds and the construction of a hatchery. The new funding will support around 110 jobs during construction, and a further 160 jobs when the new hatchery is up and running. NAIF’s support will ensure Australian-farmed barramundi will be available in restaurants, at home and around the world.

Arnhem Land Progress Aboriginal Corporation (ALPA)

NAIF will provide a \$13.5 million loan to redevelop a food storage and warehouse facility in Alice Springs.

The project will improve food security for remote and regional Indigenous communities in Central Australia.

The loan is the first provided by NAIF directly to an Indigenous Corporation and will help the Arnhem Land Progress Aboriginal Corporation build a state-of-the-art ammonia-based refrigeration facility and improve the existing warehouse to meet future demands around food distribution.

PORTFOLIO MILESTONES 2020-21

NAIF supported projects across the Northern Territory have progressed construction during the year.

Reflecting the fact that contractual close is critical to commencing economic activity, **Charles Darwin University** this year progressed with construction of its new campus facility in advance of drawing on its NAIF loan of up to \$151.5 million.



PERFORMANCE REPORT

Investing for Impact in Western Australia

Reflecting the significance of the resources sector in the Western Australian economy, this year saw NAIF provide additional investment to a number of mining related projects around the State.

\$1.1B
to Western
Australia projects

In the year to 30 June 2021, NAIF approved \$719 million of financing to projects in Western Australia (see below and next page). Since inception, NAIF has provided funding facilities worth \$1.1bn to Western Australian projects, supporting more than 2,400 forecast jobs.

\$330.8M
in contractually
closed financings

Reflecting NAIF's ability to be a patient investor, our role in the resources sector has often seen us act as a cornerstone financier for project partners, giving companies the time and confidence to lock in any required remaining project debt and equity. This was again the case this year.

Investments approved in previous years in Western Australia include Strandline Resources' Coburn mineral sands project, Kalium Lakes project, Sheffield Resources' Thunderbird project and Onslow Marine Support Base.

\$4.6B
in forecast economic
benefits from
supported projects

NAIF Investment Decisions (2020-21)

*not including any projects commercial in confidence.

NEAR WILUNA

**Lake Wells Sulphate of
Potash Project**
(Australian Potash Limited)

NAIF LOAN UP TO
\$140M

PILBARA REGION

**Mardie Salt and Potash
Project** (BCI Minerals)

NAIF LOAN UP TO
\$450M

2,400+
forecast jobs in
supported projects
(construction and
operations)



Lake Wells Sulphate of Potash Project

(Australian Potash Limited)

The Lake Wells Sulphate of Potash (SOP) Project is the current flagship project for Australian Potash.

NAIF's \$140m loan will be used by the company for key infrastructure, including a processing plant and equipment. The Project will comprise of brine abstraction and evaporation operations, a salt processing plant and associated infrastructure to produce 170ktpa of SOP over a 30 year mine life.

SOP is primarily used as fertiliser for agriculture. NAIF's loan illustrates further support for Australia's critical minerals sector.

Securing NAIF's commitment is a key step in Australian Potash Limited's funding strategy and is one tranche of a multi-tranche debt facility.



Mardie Salt and Potash Project

(BCI Minerals)

NAIF were early supporters of the Mardie Salt and Potash Project (BCI Minerals). Supported with a \$450 million loan, the project involves the construction of large ponds and crystallisers, process plants and a new port facility.

Mardie will be the first major salt operation developed in Australia in two decades and the project will be the first Australian project producing and selling both salt and SOP.

The proposed facilities will provide the opportunity to expand Australia's chemical and agriculture industries over a 60+ year operating life.

NAIF's involvement was a key step in Mardie's funding strategy because it accounts for a significant proportion of the total funding requirement and has important features to support the company in securing the remaining debt and equity funding.

PORTFOLIO MILESTONES 2020-21

Construction has progressed on a project that will allow for the first time, a major iron ore mining operation in Australia to be run entirely off renewable energy during the day.

Supported by a \$90 million loan from NAIF, the **Chichester Solar Gas Hybrid project** will enable Alinta Energy to supply electricity to Fortescue Metals Group Ltd's Chichester Hub iron ore mines. The project will allow operations at the mining hub to be among the first globally to demonstrate up to 100% of its daytime power requirements are being supplied by renewable energy.

NAIF has funded the construction of electrical infrastructure along with a 60 MW solar power plant and transmission infrastructure.

The project is expected to displace 100 million litres of diesel generation annually from the Pilbara, delivering a cleaner, more affordable, and more connected energy supply. Also financed by the Australian Renewable Energy Agency (ARENA), state and federal governments, the project is expected to be officially opened later in 2021.



Indigenous Outcomes

Indigenous positive outcomes are being delivered by NAIF proponents in many different ways through their Indigenous Engagement Strategies (IES).

From supporting partnerships to build Indigenous contracting capability through joint ventures (Alinta), through to investment in training facilities to develop a specialist Indigenous workforce in the renewable energy sector (Merricks).



Partnership Outcomes

NIAA, IBA and ILSC

Our Memorandum of Understanding with the National Indigenous Australians Agency, Indigenous Business Australia and the Indigenous Land and Sea Corporation provides a firm foundation to leverage our collective capacity, generating greater economic opportunity for Indigenous Australians from across common workstreams. NAIF, and our partners are progressing potential for further partnership programs, including a specific housing strategy and coordination of pipeline opportunities.



Proponent Collaboration

The Darwin Roundtable

NAIF hosted a roundtable in Darwin in April 2021 to gather NAIF's Greater Darwin proponents (Humpty Doo Barramundi, Charles Darwin University, Merricks Capital, NT Airports and NT Government) along with the Larrakia Development Corporation, the Larrakia Nation Aboriginal Corporation and key stakeholders to support proponents to deliver better outcomes through each of their Indigenous Engagement Strategies (IES). The group explored approaches and strategies that are working well, and noted the critical importance of genuine engagement to support commercially focused relationships and outcomes.



Airport Development Group

Multiple Projects, Multiple Opportunities for Outcomes

With the Alice Springs Airport upgrade and the Darwin Cold Freight Storage facility completed, the Airport Development Group's (ADG) rooftop solar project at the Darwin Airport has progressed well during 2020/21.

10%

Indigenous employment

Partnered

with longstanding local Indigenous business

In delivery on its IES the proponent has:

- Contracted Ekistica Pty Ltd for preliminary design work on the solar project (Supply Nation Registered).
- Coordinated a partnership with the engaged rooftop solar contractor BT Energy and DICE (Supply Nation Certified), which has resulted in DICE being upskilled in large scale commercial solar installations and partnered BT Energy with a longstanding local Indigenous business with a wide network of opportunities.
- Delivered on its 10% Indigenous employment target (through contracting activities).
- Provided cross cultural awareness training for staff and contractors.
- Established an ongoing Indigenous Advisory Committee.

Alinta Chichester Solar Gas Hybrid Project

Building Capacity Partnerships with the Maramara Joint Venture

Maramara is a Pilbara based Joint Venture (JV) that is majority Indigenous-owned, bringing together two Pilbara based businesses to provide Mining and Civil Construction services. Maramara have been providing services to Alinta Energy, Downer and FMG for the Alinta Chichester Solar Gas Hybrid Project, including building roads and building benches for substation.

The Supply Nation registered JV's purpose is to give back to community, including the Pilbara. Alinta Energy, Downer and FMG have been supportive in managing a flexible solution with drive-in drive-out, sorting out different journey management plans and alternative access to site.





Cowboys High Performance Facility
Construction delivering outcomes during COVID-19

The Cowboy's head contractor, Hutchinson Builders have delivered on key Indigenous Engagement Strategy (IES) commitments supporting direct and in-direct Indigenous employment during construction. Hutchies was proud to almost double the Indigenous participation target of 6.6% to achieve 13% Indigenous employment on site (staff, subcontractors and suppliers, trades people, apprentices and trainees).

13% Indigenous employment
Double the Indigenous participation target

Supporting the delivery of their IES, Cowboys' have a dedicated IES Champion from senior management, have liaised with the Gurambilbarra Wulgurukaba Traditional Owners, National Indigenous Australians Agency, Queensland Government's Aboriginal and Torres Strait Islander Partnerships, Townsville City Council and the Australian Rugby League Indigenous Council and contracted a local Indigenous business, Activate One.

Humpty Doo Barramundi
Adaptable approaches to achieving outcomes

Humpty Doo Barramundi (HDB) are demonstrating outcomes in their Indigenous engagement, engaging local businesses and a local Indigenous consultancy to help build the organisation's cultural capability and assist with the delivery of their IES. HDB has demonstrated innovation by engaging a local Indigenous tourism operator including organised tours to visiting guests in the hospitality industry and supporting the Sentenced to a Job Program with Indigenous inmates working at HDB as a work release type program. HDB have hosted up to eight inmates who have received mentoring as part of the program building job ready confidence.



INVESTING ACROSS THE ECONOMY

NAIF Pipeline

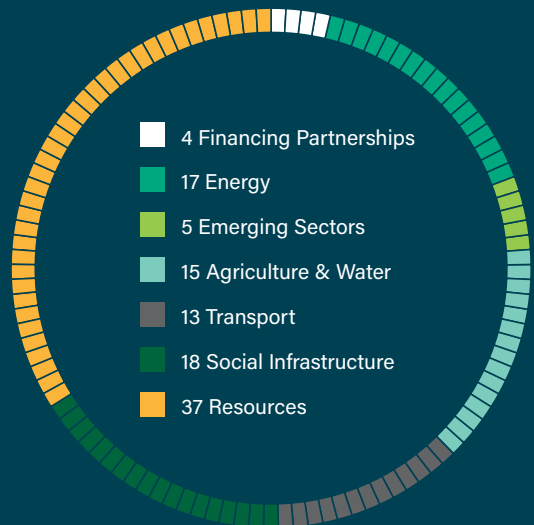
NAIF works with proponents, potential investors and key partners to accelerate investment in projects across a range of key sectors to the northern Australian economy.

We recognise that not all these projects will ultimately be financed by NAIF, either because they secure private sector finance, are deferred, do not meet the investment requirements of NAIF or are beyond NAIF's currently appropriated capital. Nevertheless, NAIF has an exciting and ambitious pipeline of potential investment spread across all sectors and geographies key to northern Australia.

AS AT 30 JUNE 2021 THERE WERE

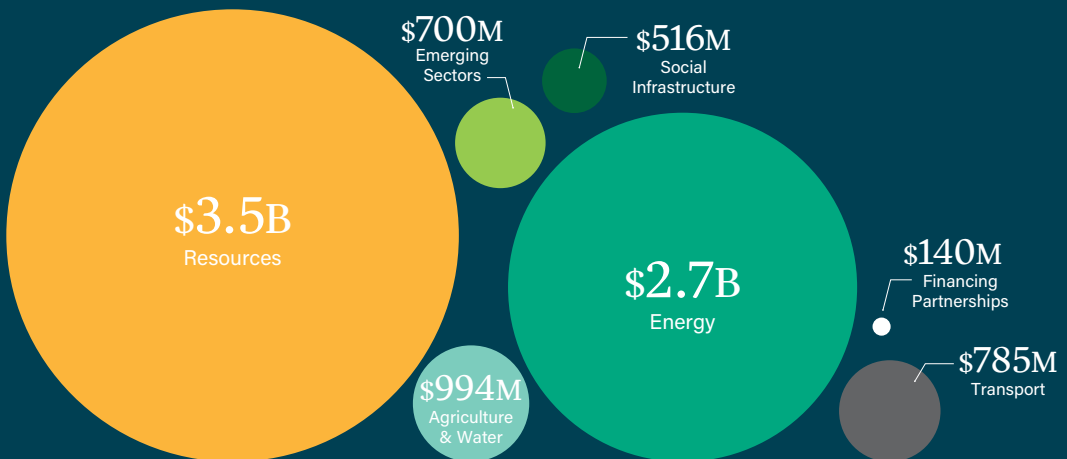
109 opportunities

in the NAIF pipeline, spread across all sectors.



TOTAL LOAN VALUE

\$9.3B



Annual Performance Statement

Introductory Statement

On behalf of the accountable authority, the Board of the Northern Australia Infrastructure Facility (NAIF), I present the 2020-21 Annual Performance Statement of NAIF, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

In our opinion, based on material provided to the Board, this Annual Performance Statement accurately reflects the performance of the entity, and complies with subsection 39(2) of the PGPA Act.



Tracey Hayes
Chair of the NAIF Board

Purpose

NAIF's primary purpose is to be an impact investor in northern Australia by:

- Facilitating the growth of northern Australia.
- Accelerating projects.
- Delivering public benefit.
- Catalysing and crowding in private sector investment.
- Ensuring strong Indigenous opportunities and outcomes.

NAIF is a key enabler in the Australian Government's agenda to unlock the full potential of northern Australia, for the benefit of all Australians.

Our purpose facilitates the achievement of outcomes as outlined in the FY2020-21 DISER Portfolio Budget Statement page 358 to 'enable economic growth in northern Australia, by facilitating private sector investment in economic infrastructure through the provision of concessional financing delivered through the state and territory governments.'

Results

A summary of NAIF's performance outcomes is included in figure 1 below. NAIF met all its six performance measures when considering allowable activities in a COVID-19 environment. One measure in the Stakeholder Activity KPI which required travel and group gatherings was unable to be met fully due to COVID-19 restrictions, however activities continued in a virtual environment.

The analysis of NAIF's overall performance below should be read in conjunction with the remainder of the Annual Report, including the Reports from the Chair and from the CEO.

NAIF has made significant impact over the 2020-21 financial year, with the Board making 11 Investment Decisions to offer loans totalling \$1.1bn, to support projects with a total capital value of \$3bn. The Investment Decisions were for projects geographically spread across northern Australia with:

- \$322m allocated for Queensland projects;
- \$75m allocated for Northern Territory projects; and
- \$719m allocated for Western Australian projects.

Two Investment Decisions (Kaban, BSE Maritime), that were approved by the NAIF Board are no longer going ahead. In the following assessment of NAIF's performance the value of these two decisions has not been included, with the Performance Summary focusing on the nine Investment Decisions that are proceeding.

Performance Summary

Source of Performance Criterion: NAIF Corporate Plan FY20-21, page 11-12.

Figure 1: NAIF Performance Summary for FY20-21

Performance Criterion	Measure	Outcome
1. Public benefit	<i>Net public benefit for each NAIF Investment Decision</i>	<p>Achieved.</p> <p>Each of the Investment Decision projects has been forecast to generate public benefit. The total public benefit forecast on the nine approved projects totals \$9.6bn.</p> <p>Over the nine Investment Decisions the forecast quantified public benefit comfortably exceeds the cost of concessions.</p> <p>For each Investment Decision in the period, a case study has been published on NAIF's website outlining examples of forecast public benefit and forecast jobs created. They can be viewed here https://naif.gov.au/case-studies/.</p> <p>2,540 jobs have been created or supported in FY20-21 as a result of sixteen projects that have commenced drawdown. This compares to 727 jobs supported in FY19-20.</p> <p>The total quantified public benefit is 8.7 times the value of Investment Decisions during the financial year against a target of 2 times.</p>
2. Indigenous engagement	<i>Sustainable Indigenous participation, procurement and employment</i>	<p>Achieved.</p> <p>An Indigenous Engagement Strategy (IES) was developed by the proponent for each Investment Decision which meets the requirements of the NAIF Investment Mandate.</p> <p>For each Investment Decision in the period a case study has been published on NAIF's website outlining examples of proposed Indigenous engagement strategies. They can be viewed here https://naif.gov.au/case-studies/. Communication on IES performance has been promoted on the NAIF website for six projects.</p>

Performance Criterion	Measure	Outcome
3. Investment Growth	<i>Number of Investment Decisions per annum</i>	Achieved. Nine Investment Decisions made against a target of between 7-10.
	<i>Dollar value of NAIF Investment Decisions per annum</i>	Achieved. During the period, nine Investment Decisions were made totalling \$1.1bn against a target of between \$1bn-\$1.25bn.
	<i>Total capital value of projects supported per annum</i>	Achieved. \$3.0bn aggregate total capital value of projects supported by those new NAIF investment decisions against a target of between \$1.5bn-\$2bn.
	<i>Contractual close per annum</i>	Achieved. Contractual close reached on projects worth \$1.48bn during the period against a target of between \$0.75-.85bn.
	<i>Over portfolio of Investment Decisions to date diversification across geography and sector</i>	Achieved. Over the five years since inception, the NAIF Board has made Investment Decisions to commit loan capital of \$3.1bn, the spread by State is - QLD: 40%, NT: 23% and WA: 37%. The sector spread after five years is energy: 24%, transport: 21%, social infrastructure: 15%, agriculture & water: 4% and resources: 36%.
	<i>Support for transformational projects that provide significant public benefit</i>	Achieved. Most of NAIF's projects are transformational to the northern Australia region in various ways. However, one project stood out for the significant public benefit to northern Australia being the Genex – Kidston pumped storage hydro project.
4. Operational Effectiveness and Risk	<i>Demonstrated active management within the Risk Framework and Risk Appetite Statement</i>	Achieved. Active risk management throughout the period, and no identified instances of non-compliance with Board approved Risk Management Framework and Risk Appetite Statement.
	<i>Compliance with NAIF Act and NAIF Investment Mandate</i>	Achieved. No instance of non-compliance with NAIF Act and Investment Mandate.

Performance Criterion	Measure	Outcome
5. Stakeholder Management & Communications	<i>Level of communication and stakeholder engagement activity</i>	<p>Partially Achieved.</p> <p>Due to COVID-19 restrictions travel and group gatherings were difficult to achieve.</p> <p>In person Board meetings were held in two of the three NAIF jurisdictions during the financial year (Darwin, NT and Rockhampton, QLD) against a target of one in each of the three jurisdictions. It should be noted that a Perth stakeholder event had been scheduled during FY20-21, however had to be cancelled due to COVID-19 travel restrictions.</p> <p>In a year disrupted by COVID-19, NAIF was able to host one stakeholder event in Darwin, as well as a separate Indigenous round table event. In addition NAIF was a key note presenter at the Developing Northern Australia in Rockhampton and the Pilbara conference in Perth and participated in number of other conferences, webinars and industry events.</p> <p>There was significant uplift in media releases, with NAIF contributing 44 media releases during the year. There was also an increase in social media activities and NAIF doubled the number of followers on its LinkedIn page (up 812 followers to a total of 1,645).</p> <p>NAIF's website underwent a program of continuous enhancement which included case studies, factsheets, a refreshed Frequently Asked Questions and a webpage outlining the NAIF reforms. The website saw an increased audience over the year with 34,299 users (18% increase year-on-year) making a total of 51,438 visits to the website (12% increase year-on-year).</p>
6. Financial Sustainability	<p><i>Operating expenditure is within the departmental appropriation budget</i></p> <p><i>At an Investment Decision portfolio level, over the life of the NAIF supported loans - transaction loan revenue exceeds NAIF accumulated operating costs</i></p>	<p>Achieved.</p> <p>NAIF's operating expenses were within the appropriation budget.</p> <p>On track.</p> <p>At an Investment Decision portfolio level, over the life of the NAIF supported loans (both currently approved and projected), transaction loan revenue is forecast to exceed NAIF operating costs and Commonwealth cost of borrowing.</p> <p>NAIF's transaction revenue over the financial year was \$16.7m, representing a \$10.4m increase from FY19-20 and 143% of FY20-21 operating expenses.</p>

Analysis of Performance Criteria

Figure 2: Summary of Investment Decisions made in FY20-21

Proponent	Jurisdiction	Infrastructure	NAIF Loan Investment Decision	Total Project Size
Commercial in confidence	Pilbara, WA	Commercial in confidence	\$129m	\$143.3m
Central Queensland University (CQU)	Rockhampton, QLD	Various, emphasis on digital infrastructure	\$76m	\$76m
Merricks Capital Pty Ltd	Hudson Creek, NT	Solar and gas power plants	\$37m	\$74m
Humpty Doo Barramundi	Humpty Doo, NT	Barramundi farm expansion	\$24.2m	\$47m
BSE Maritime Solutions ¹	Cairns, QLD	Shiplift facility	\$32m	Not proceeding
Mardie Salt (BCI Minerals Ltd)	Pilbara, WA	Evaporative salt project	\$450m	\$1,155m
Agripower Australia	Charters Towers, QLD	Organic silica deposit project	\$71m	\$71m
Kaban ²	near Cairns, QLD	Wind farm	\$280m	Not proceeding
Lake Wells (Australian Potash Limited)	near Wiluna, WA	Potash mine	\$140m	\$510m
Olive Downs South	Bowen Basin, QLD	Coking coal mine	\$175m	\$510m
Arnhem Land Progress Aboriginal Corporation (ALPA)	Alice Springs, NT	Cold storage facility	\$13.5m	\$13.5m

¹ The BSE Maritime Solutions project is not proceeding because, after NAIF's Investment Decision, the Proponent entered into a corporate transaction involving the sale of the asset concerned.

² The Kaban project is not proceeding because the Minister issued a rejection notice under s.11(4) of the NAIF Act

1. & 2. Public benefit and Indigenous engagement

To be eligible for NAIF financial assistance the Board must be satisfied that each proposed project:

- i. will be of public benefit and will produce benefits to the broader economy and community beyond those able to be captured by the project proponent; and
- ii. has an Indigenous Engagement Strategy (IES) which must set out objectives for Indigenous participation, procurement and employment that reflect the Indigenous population in the region of the proposed project.

Public benefit was assessed in line with NAIF's Public Benefit Guideline. The potential benefits vary for each Project and have been assessed spanning different periods depending on the life of the asset. Benefits and costs to the proponent and 'Outside of the proponent' are assessed quantitatively where possible to come to a net public benefit estimate. Where it is not possible to value costs and benefits in monetary terms, they are considered qualitatively. Construction jobs and operational jobs are also forecast.

The nine FY20-21 Investment Decisions are forecast to generate \$9.6 billion of public benefit to the northern Australia economy which is a multiplier of 8.7 for every NAIF loan dollar committed. The projects funded by NAIF are forecast to support 3,727 jobs in either the construction or operational phase which will contribute to economic and population growth in the regions of those projects.

Each of the FY20-21 Investment Decision project proponents developed and adopted an IES to be implemented over the life of the project. NAIF assesses each IES on a case by case basis, noting there are many ways the proponent can meet the IES criterion. Refer to the NAIF Indigenous Engagement Strategy Guideline on NAIF's website. Case studies have been published for each Investment Decision during the period outlining examples of the proposed IES for each project.

As projects progress, proponents report to NAIF on Indigenous Engagement Strategy performance. In conjunction with partners, NAIF looks to publish public summaries and case studies to highlight outcomes achieved. As an increasing number of projects move towards completion, we will continue to work with partners to highlight achievements.

Monitoring and Reporting requirements are agreed with each proponent in the NAIF loan facility documentation with communication pieces on IES performance promoted on the NAIF website³ for Onslow Marine Support Base, Kalium Lakes Ltd (Beyondie SOP), Voyages Indigenous Tourism Australia (Ayers Rock Resort), Northern Territory Airports, Humpty Doo Barramundi (HDB) and Alinta Energy (Chichester Solar Gas Hybrid Project).

Voyages have revised their IES to better align with internal changes in focus and their program approach. HDB have also revised their IES to reflect experiences and lessons learnt to date from IES delivery, and to accommodate the expansion of project activity.

More specific details on the public benefit assessed and IES commitments for each project can be found in the case studies for each project on NAIF's website and on the dedicated economic impact and Indigenous Engagement pages in this report.

3 <https://naif.gov.au/what-we-do/indigenous-engagement/indigenous-engagement-strategy/>

3. Investment Growth

In making the nine FY20-21 Investment Decisions, NAIF met its target of between 7-10 Investment Decisions.

NAIF approved new investment finance of \$1.1 billion through the FY20-21 Investment Decisions for projects against a target of \$1 billion - \$1.25 billion. The total capital value of those projects supported was \$3 billion against a target range of \$1.5 billion to \$2 billion, and a 50% increase on last financial year.

During the period NAIF reached contractual close on eleven projects with a value of \$1.48bn, which is significantly above the target for the period of \$750-\$850m. Contractual close is a key point of economic enablement for NAIF's transactions as this is when proponents have confidence to start project design and construction, driving employment and economic growth.

The projects supported reflect the breadth of NAIF's role in developing northern Australia. Those Investment Decisions comprised approvals for Projects in each of the three northern Australia jurisdictions They were also diversified across sectors, namely energy (Merrick's), resources (Mardie Salt, Lake Wells and Olive Downs South), transport (commercial in confidence), social infrastructure (CQU University and ALPA) and agriculture & water (Agripower and Humpty Doo).

All of NAIF's projects are assessed from a public benefit perspective and during the financial year the total quantified public benefit was nine times the value of Investment Decisions. However, certain projects could be classified as truly transformational for an industry or region such as the Genex-Kidston project. This project is the first pumped storage hydro project in Australia since 1984 and the first to be used solely for energy storage and generation rather than water management. NAIF were early supporters of the Kidston project – which utilises an abandoned gold mine – and have worked closely with Genex and other participants to bring the project to fruition. The Kidston project will help create a long-term dispatchable energy supply for north Queensland, which will be crucial to help businesses and households to find cheaper, reliable sources of electricity.

4. Operational Effectiveness and Risk

NAIF's Risk Assessment Statement (RAS) provides a clear articulation of the target level of risk in executing NAIF's strategic objectives. It guides risk appetite, identifies tolerance measures (including for making NAIF Investment Decisions) and has been developed in consultation with the responsible Minister and the relevant northern Australia jurisdictions. The RAS also addresses other operational matters including governance and operations.

In line with best practice, NAIF adopts a continuous improvement approach and regularly reviews its risk management framework and policies by considering emerging trends and risks, changes to existing risks and any changes to NAIF's Investment Mandate and Government policy. As a result of the reforms to the NAIF Act, Investment Mandate, and organic growth, it was identified that a refresh of the risk artefacts was required. NAIF is currently undertaking this risk refresh, this includes updating the Risk Management Framework (RMF), Risk Appetite Statement, and related documents and systems to guide the organisation into the future.

Under Section 12(4) of the Investment Mandate, NAIF may have a higher risk appetite in relation to factors that are germane to investing in northern Australia infrastructure, including, but not limited to, northern Australia's distance, remoteness, and climate.

5. Stakeholder Management & Communications

NAIF conducted an enhanced program of stakeholder relations and communications activities including media outreach and targeted participation in conferences and industry events.

During the year, NAIF boosted its stakeholder relations and communications function by adding new members of staff based in Darwin, Northern Territory and Townsville, Queensland.

Following an expansion of the Stakeholder Relations and Communications team, key achievements during the year have included:

- Engaging with key Government and political stakeholders around the new NAIF Act and Mandate.
- Consolidating and building NAIF's presence, in particular at Commonwealth and jurisdictional Department and agency levels.
- An increased presence at conferences and regional industry events, including keynote presentations at the Developing Northern Australia and Pilbara 2021 conferences.
- Building the community's view of NAIF through strong messaging and increased media and stakeholder communications (44 media releases during the FY20-21 year), the launch of the Impact newsletter and digital communications promoting key investment activities.

Specific activities have included (but are not limited to):

- Activities to support the progression of projects;
- Meetings and engagement with Members of Parliament, both at a state and federal level;
- Regular consultation with Commonwealth departments and agencies and broader networks including the Regional Development Australia network, Development Commissions, and the northern Australian based universities; and
- Meetings with key industry stakeholders and organisations. Engagement was enhanced this year with several organisations and industry bodies. These included but were not limited to organisations such as NIAA, IBA, ILSC, CEFC, ARENA, Infrastructure Australia, IAQ and a range of other regional industry groups.

To measure NAIF's performance in Stakeholder Relations and Communications, for the first time this year NAIF commissioned a stakeholder survey. The survey was conducted by Darwin-based consultancy True North Strategic Communications.

The majority of stakeholders reported that NAIF is a trusted partner, has a good reputation that operates with integrity, was a key Government agency that is contributing effectively to the development of northern Australia and works effectively with stakeholders and partners. The survey's results provide essential feedback on key stakeholder's perceptions of NAIF.

The outcomes of the stakeholder survey will be factored into NAIF's stakeholder and communications strategy for FY21-22.

6. Financial Sustainability

NAIF's external auditor issued an unmodified audit opinion on NAIF's FY20-21 Financial Statements.

NAIF has managed expenses ensuring operating expenses were within NAIF's appropriated budget.

During the period NAIF made significant progress in generating revenue to cover operating costs. This will be a continued focus and through NAIF's growing investment portfolio it is estimated revenue will exceed operating costs in the medium term. NAIF's transaction revenue over the financial year was \$16.7m, representing a \$10.4m increase from FY19-20 and 143% of FY20-21 operating expenses.

For each of the nine FY20-21 Investment Decision commitments, contracted revenue for the NAIF financial assistance will include an establishment fee (payable at or around financial close) and an interest rate above the Commonwealth borrowing rate. Pricing of individual financing decisions takes into account NAIF's target to cover the government cost of funds and NAIF's operating expenses over the life of NAIF's loans.



Corporate Governance

Accountability

The responsible Minister for the FY20-21 period was the Hon. Keith Pitt, MP, Minister for Resources, Water and Northern Australia. On 2 July 2021, the Hon David Littleproud, MP, Minister for Agriculture and Northern Australia, was appointed NAIF’s responsible Minister.

The Minister appoints the members of NAIF’s Board and provides direction through the Investment Mandate.

NAIF’s Board is the Accountable Authority with a focus on strategic direction, risk appetite and monitoring performance.

As a corporate Commonwealth entity, the requirements of the PGPA Act apply to NAIF’s governance, reporting and accountability.

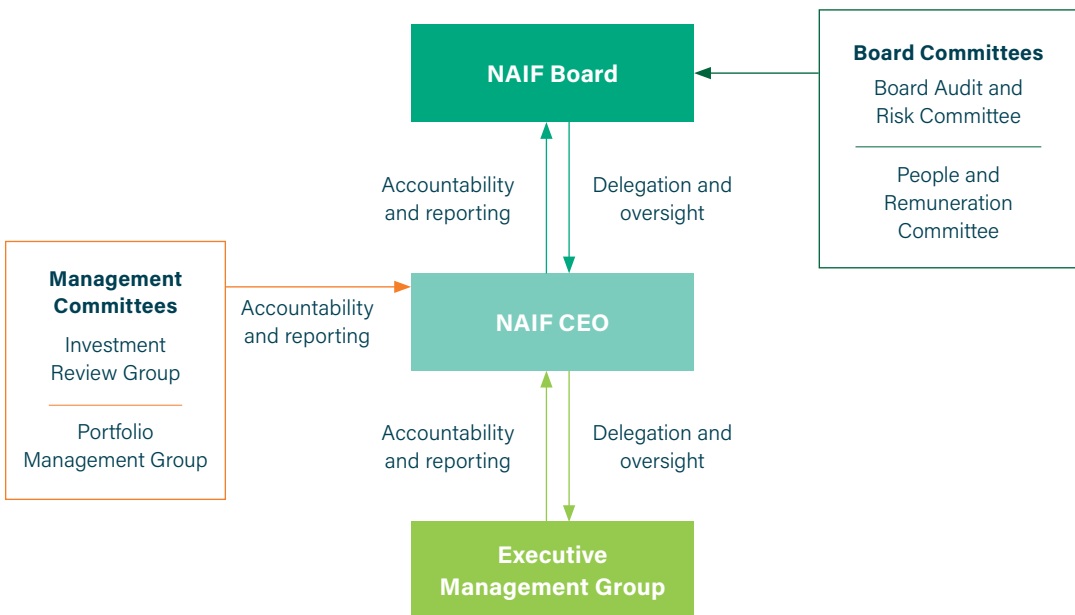
Legislative Framework

NAIF came into existence on 1 July 2016 as a corporate Commonwealth entity under the *Northern Australia Infrastructure Facility Act 2016* (NAIF Act). NAIF’s original expiration date was 30 June 2021, the 2021 amendment Act extended the time limit for making decisions to provide financial assistance.

Corporate Governance Framework

NAIF has a comprehensive suite of governance policies that are fit for purpose and appropriate for its size and functions. It is a tailored governance framework that incorporates statutory responsibilities under the NAIF Act, Investment Mandate, PGPA Act and other relevant legislation.

Figure 3: NAIF’s corporate governance structure



Review and Continuous Improvement

NAIF approaches its operations on a continuous improvement basis to ensure that it has regard to Australian best practice government governance principles, and relevant Australian best practice governance for Commercial Financiers, as required by section 18(1) of the Investment Mandate.

Board Charter

NAIF's Board Charter sets out the Board's roles and responsibilities. This Charter builds on the Board's duties as the accountable authority under the PGPA Act and outlines key duties and responsibilities. The Charter is available on the NAIF website.

BARC Charter

The NAIF Board constituted the Board Audit and Risk Committee (BARC) to review the appropriateness of NAIF's financial and performance reporting, systems of risk management, monitoring and reporting, and systems of internal control. The BARC Charter is available on the NAIF website.

People and Remuneration Committee

The NAIF Board established a People and Remuneration Committee (PRemCo), which operates under a People and Remuneration Committee Charter. The primary role of the PRemCo is to provide oversight of NAIF's people and remuneration policies and strategies. The PRemCo Charter is available on the NAIF website.

Strategic and Corporate Planning

NAIF's strategic documents align with its corporate governance framework and vision. The Strategic Plan sets out NAIF's vision and provides guidance to the Board and Executive. The Corporate Plan FY21-22, outlines NAIF's plan for achievement of its key business strategies and is available on the NAIF website. The Corporate Plan FY20-21 covering the reporting period is also available on the NAIF website.

Code of Conduct

NAIF maintains a Code of Conduct for Board members and staff that outlines the behaviours that NAIF expects. The Code of Conduct also seeks to foster a culture where ethical conduct is valued and demonstrated in NAIF's day-to-day business.

Conflicts of Interest

In addition to statutory requirements under the PGPA Act, NAIF manages conflicts of interest in accordance with its Conflicts of Interest Policy.

In relation to the Board, where a Board member has a material personal interest in relation to a project under consideration, that Board member does not receive the relevant papers and does not participate in discussion of that transaction. A register is maintained to record Board members' disclosed interests. Board meeting minutes record recusals due to disclosed personal interests as they occur.

Compliance

NAIF manages its compliance obligations through its governance, risk and compliance system.

All incidents in FY20-21, recorded in the NAIF Incident Register, in accordance with NAIF's Incident Management Policy were satisfactorily addressed with no systemic issues identified.

Internal Audit

McGrathNicol is NAIF's internal auditor. The internal auditor has an approved three-year internal audit program to evaluate and continually improve the effectiveness of NAIF's risk management and internal control processes.

External Financial Audit

The Australian National Audit Office (ANAO), NAIF's external auditor, confirmed that NAIF's FY20-21 Financial Statements are compliant with Australian Accounting Standards and the PGPA Rule 2015 and issued an unmodified audit opinion. The field work associated with the FY20-21 financial statement audit was outsourced by ANAO to KPMG.

Legislative Reporting

Ministerial Direction

During the period the responsible Minister gave NAIF direction through the NAIF Investment Mandate.

Outcome of Legislative Review of the NAIF Act

A statutory review of the operation of the NAIF Act was completed during 2020⁴. In line with that review the responsible Minister:

- on 17 July 2020, announced extension of NAIF's investment window for a further five years to 30 June 2026;
- announced reforms to the NAIF Act to:
 - significantly broaden the scope of projects and businesses that NAIF can support across northern Australia;
 - provide the ability to provide smaller loans to projects and businesses, working in partnership with other lenders; and
 - make non-controlling equity investments.

To implement the reforms the *Northern Australia Infrastructure Facility Amendment Act 2021* was passed by Parliament and came into force on 28 May 2021.

NAIF Act – Section 42(1) Reporting

For the purpose of s42(1) of the NAIF Act, NAIF reports as follows.

a. Investment Mandate changes: there were no changes to the Investment Mandate during the period. After period end, on 2 July 2021, NAIF's Responsible Minister and the Finance Minister issued a new NAIF Investment Mandate Direction 2021, replacing the prior Investment Mandate 2018.

b. Summary of proposal notices given to the Minister: for each project to which NAIF proposes to provide financial assistance, it gives the responsible Minister a written proposal notice, as required under section 11(2) of the NAIF Act.

NAIF provided proposal notices for the eleven Investment Decisions made by the NAIF Board between 1 July 2020 and 30 June 2021.

Figure 4: Summary of proposal notices

Proponent	Jurisdiction	Project	Max. amount of NAIF financial assistance
Commercial-in-confidence	Pilbara, WA	Commercial-in-confidence	\$129m
Central Queensland University (CQU)	Rockhampton, QLD	Various, emphasis on digital infrastructure	\$76m
Merricks Capital Pty Ltd	Hudson Creek, NT	Solar and gas power plants	\$37m
Humpty Doo Barramundi	Humpty Doo, NT	Barramundi farm expansion	\$24.2m
BSE Maritime Solutions⁵	Cairns, QLD	Shiplift facility	\$32m
Mardie Salt (BCI Minerals Ltd)	Pilbara, WA	Evaporative salt project	\$450m
Agripower Australia	Charters Towers, QLD	Organic silica deposit project	\$71m
Kaban⁶	Near Cairns, QLD	Wind farm	\$280m
Lake Wells (Australian Potash Ltd)	near Wiluna, WA	Potash mine	\$140m
Olive Downs South	Bowen Basin, QLD	Coking coal mine	\$175m
Arnhem Land Progress Aboriginal Corporation (ALPA)	Alice Springs, NT	Cold storage facility	\$13.5m

⁴ This report can be viewed on NAIF's website at <https://naif.gov.au/media/reporting/senate-opening-statements-inquiries>

⁵ The BSE Maritime Solutions project is not proceeding because, after NAIF's Investment Decision, the Proponent entered into a corporate transaction involving the sale of the asset concerned.

⁶ The Kaban project is not proceeding because the Minister issued a rejection notice under s.11(4) of the NAIF Act

c. Summary of rejection notices by the Minister:

section 11 of the NAIF Act provides the Minister with a consideration period to review each proposal notice given by NAIF. During each consideration period the Minister may, in the circumstances described below, notify NAIF that the financial assistance described in the applicable proposal notice should not be provided (a rejection notice). A rejection notice may be given only if the relevant financial assistance would:

- be inconsistent with the objectives and policies of the Commonwealth Government; or
- have adverse implications for Australia's national or domestic security; or
- have an adverse impact on Australia's international reputation or foreign relations.

Figure 5: Summary of rejection notices by the Minister

Proponent	Jurisdiction	Reason for rejection
Kaban	Near Cairns, QLD	Inconsistent with the objectives and policies of the Commonwealth Government

d. Summary of projects for which financial assistance was approved during the period.

i. For amounts of financial assistance and kinds of Northern Australia economic infrastructure refer to figure 4: Summary of proposal notices.

ii. All financial assistance provided during the period was in the form of a loan. Figure 6 below provides a summary of the important features of each loan during FY20-21.

Figure 6: Summary of important features of financial assistance approved during the period

Project ⁷	Tenor (years)	Senior	Secured	Interest rate concession	Interest capitalisation
Commercial-in-confidence	18.5	✓	✓	✓	
Central Queensland University (CQU)	20	✓		✓	✓
Merricks Capital Pty Ltd	9	✓	✓	✓	
Humpty Doo Barramundi	13	✓	✓	✓	
Mardie Salt (BCI Minerals Ltd)	15	✓	✓	✓	✓
Agripower Australia	12	✓	✓	✓	✓
Lake Wells (Australian Potash Limited)	17	✓	✓		✓
Olive Downs South	10	✓	✓		✓
Arnhem Land Progress Aboriginal Corporation (ALPA)	13.5	✓	✓	✓	✓

⁷ See proponent names and project details in Figure 4 Summary of Proposal Notices. BSE Maritime Solutions and Kaban are no longer proceeding and are therefore not represented in Figure 6.

Each loan pays an upfront facility fee and an interest rate above the Commonwealth cost of borrowing which represents returns to the Commonwealth.

- iii. The risks to the Commonwealth are rigorously assessed during the due diligence process to ensure the risks are understood and mitigated where possible. Risks include project, credit, transaction, structure, environmental and social, construction, technology, operation, management, market, industry, business, financial and concentration risk.

e. Summary of adjustments or concessions made by NAIF in relation to infrastructure projects that have not progressed as planned. There was one project that required adjustment / concession of this type during the reporting period, see figure 7 below.

Figure 7: Summary of adjustments or concessions for projects that have not progressed as planned

Proponent	Adjustment / Concession	Reason
Queensland Airports Ltd (QAL)	An extension in the availability period of the facility without a change in final maturity.	QAL's business experienced sudden and significant impact following the COVID-19 outbreak and the subsequent closure of Australia's international and internal borders.
	Adjustment to reporting covenants to reflect operational changes during the COVID-19 period.	In response, QAL's management decided to pause any non-essential capital works, including those at Townsville Airport. An extension to the availability period allows for full use of the facility once works recommence.

Indemnities and Insurance

Insurances provided by Comcover and Comcare have general application that includes Board members and NAIF staff as per the ordinary insurances required of Commonwealth entities. Total premiums paid during the reporting period were \$38,871.

Environmental Reporting

Ecologically Sustainable Development

Section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* requires NAIF to report on how its activities accord with the principles of ecologically sustainable development (ESD).

NAIF's activities accord with ESD principles through the application of its Environmental and Social Review of Transactions Policy (ESR Policy), which ensures that each project submitted for an Investment Decision has been assessed through environmental and social due diligence.

Environmental and Social Review of Transactions Policy

Section 18(1)(a) of the Investment Mandate requires NAIF to have regard to best practice government governance principles, and Australian best practice corporate governance for Commercial Financiers when performing its functions, and to develop and annually review policies with regard to environmental, social and governance issues. NAIF's ESR Policy, available on the NAIF website, has been prepared, and is implemented, in accordance with this requirement.

Environmental Footprint

In FY20-21 NAIF operated from six office locations:

- a head office in Cairns, Queensland;
- in Sydney, New South Wales, where NAIF has a service level agreement (SLA) with Export Finance Australia;
- Brisbane, Queensland where NAIF accessed desks through DISER and from March 2021 signed a license to occupy agreement with Australian Financial Security Authority (ASFA);
- Perth, Western Australia where NAIF has a SLA with Export Finance Australia agreement;
- Darwin, NT, SLA with Charles Darwin Centre to meet expansion needs; and
- Townsville, Queensland where NAIF has one desk in the Smart Precinct NQ.

Where possible NAIF makes use of shared facilities with other agencies, this helps to avoid duplication of resources and generates efficiency benefits.

Figure 8: Environmental Performance Reporting

Theme	Steps taken to reduce effect
Energy efficiency and emissions reduction	<ul style="list-style-type: none"> ▪ Open plan offices and central air conditioning. ▪ Central printing facilities, allowing for fewer devices (which have energy saving mode when not in use). ▪ Use of technology for work from home, interstate meetings and training. ▪ After hours lighting and air conditioning. ▪ As at 30 June 2021, 35 per cent of the Sydney office energy is Green Power.
Waste and water	<ul style="list-style-type: none"> ▪ Paper generally from Australian Forestry Standard Certified production. ▪ Employees have portable devices including phones and computers. ▪ 'Follow me' printing system is installed to reduce paper consumption, with default printing set to double sided, black and white. ▪ Staff encouraged to limit printing. ▪ Recycling of waste paper and rubbish. ▪ Central bin facilities only, no personal bins to encourage low waste production ▪ Electronic distribution of papers and briefings to Board Directors.

Refer to Export Finance Australia Annual Report FY20-21 for further details regarding Sydney office efficiencies and DISER Annual Report FY20-21 and Supplementary Environmental Report for further details on Brisbane office efficiencies and the Austrade and ASFA Annual Reports FY20-21 for further details on their office efficiencies.

Board

Board Skills

NAIF's Board members are appointed by the responsible Minister. All NAIF Board members have relevant experience as required under section 15 of the NAIF Act. The Board incorporates a broad range of skills and knowledge, combined with the extensive experience necessary to make Investment Decisions. Board members also draw on the expertise of NAIF's Executive, or other independent experts as required, to aid in decision making.

Changes to NAIF Board membership

Changes to NAIF Board, BARC and PRemCo membership during FY20-21 and up to time of publication were:

Figure 9: Changes to NAIF Board, BARC and PRemCo membership

Date	Change
25 February 2021	Mr Khory McCormick resigned as Chair and member of the Board Mr Justin Mannolini appointed Acting Chair of NAIF
11 March 2021	Mr Barry Coulter AO resigned as a Board member
30 March 2021	Ms Belinda Murphy appointed as Chair of BARC
4 June 2021	Ms Anthea Long joined Board as ex-officio member (as the nominee of the Secretary)
30 June 2021	Mr Bill Shannon term ended Ms Karla Way-McPhail term ended Ms Belinda Murphy term ended Ms Anthea Long term ended
1 July 2021	Ms Tracey Hayes appointed Chair of Board Mr Steve Margetic appointed as a Board Member Mr Justin Mannolini reappointed as a Board Member Ms Kate George reappointed as a Board member
23 July 2021	Ms Vicki Middleton appointed as nominee of Secretary of the Department of Infrastructure, Transport, Regional Development and Communications (DITRDC)

Board profiles and photos



Mr Justin Mannolini

DIRECTOR

BComm, LLB, LLM, GAICD, SF Fin

Reappointed on 1 July 2021 for the period to 30 June 2024.

Reappointed on 1 July 2019 for the period to 30 June 2021.

First appointed on 19 July 2016 for a period of three years.

CURRENT ROLES

- Partner, Gilbert + Tobin Solicitors, Corporate Advisory Group
- Chairman of Jindalee Resources Limited

EXPERTISE

A lawyer with over 25 years experience in legal and financial sectors. Strong expertise in mergers and acquisitions, capital markets transactions and corporate governance.

PREVIOUS ROLES

Executive Director of Macquarie Group

SECTOR EXPERIENCE

- Agriculture – livestock sale, export, supply chain
- Communications – data infrastructure
- Construction – feasibility and development
- Energy
- Resources – mineral extraction

NORTHERN AUSTRALIA

Experience engaging in northern Australia as a key advisor to significant projects.

MEMBERSHIPS AND AFFILIATIONS

- Cambridge Australia Scholar
- Graduate of the Australian Institute of Company Directors
- Senior Fellow of the Financial Services Institute of Australasia



Ms Kate George

DIRECTOR

LLB, Hon DLaws, GAICD

Reappointed 1 July 2021 for the period until 30 June 2024.

First appointed on 29 March 2019 for the period until 30 June 2021.

CURRENT ROLES

- Director, PwC, Indigenous Consulting
- Director, Warlparingu Pty Ltd
- Director, Claypan Services Pty Ltd
- Member of Northern Region TAFE Governing Council

EXPERTISE

Legal background and has extensive experience working in the resources industry, regional and Indigenous business, and infrastructure and asset management. Also experienced as a Board Member.

PREVIOUS ROLES

- Principal Consultant, Claypan Services
- CEO, Kariyarra Mugarinya Property Joint Venture
- Ministerial Advisor State and Federal Governments

SECTOR EXPERIENCE

- Aboriginal affairs – policy and programs
- Land development – residential
- Education – training and employment strategies
- Government – worked at both State and Federal level

NORTHERN AUSTRALIA

A Putejorra woman involved in Aboriginal affairs for over 40 years including holding senior public service positions. Working on land access agreements and development opportunities with traditional owners, government and resources sector across northern Australia including the Pilbara.

AWARDS

- Honorary Doctorate of Laws from Edith Cowan University
- Inaugural inductee in the WA Women's Hall of Fame

MEMBERSHIPS AND AFFILIATIONS

Graduate of the Australian Institute of Company Directors.



Mr Bill Shannon

DIRECTOR

BEC, CA, FGIA, FCIS

Reappointed on 1 July 2019 for the period to 30 June 2021.

First appointed on 19 July 2016 for a period of three years.

CURRENT ROLES

Board member of Regional Development Australia Tropical North.

EXPERTISE

Extensive public sector experience in local government, as a former Mayor of the Cassowary Coast Regional Council. Many years' experience as an accountant, Company Secretary, business owner and farmer.

PREVIOUS ROLES

- Deputy Chair of Regional Development Australia Tropical North
- Far North Queensland Representative on the Local Government Association of Queensland Policy Executive
- Director & Audit Committee Member of Terrain NRM
- Director, Droughtmaster Stud Breeders Society Limited
- Advance Cairns
- Tully Sugar Limited
- Wormald International Limited – Company Secretary

SECTOR EXPERIENCE

- Agriculture – sugar cane and livestock farmer
- Construction – roads, infrastructure
- Infrastructure – local government and regional policy and planning
- Tourism – regional development, advocacy, planning, policy development
- Local Government

NORTHERN AUSTRALIA

Many years advocating for northern Australia, as both an elected local government representative and business owner.

MEMBERSHIPS AND AFFILIATIONS

- Member of the Governance Institute of Australia
- Member of the Institute of Chartered Accountants Australia and New Zealand



Ms Karla Way-McPhail

DIRECTOR

DipEd, BEd, MEd, JP

Reappointed on 1 July 2019 for the period to 30 June 2021.

First appointed on 19 July 2016 for a period of three years.

CURRENT ROLES

- Co-founder and Chief Executive Officer of Undamine Industries
- Chief Executive Officer of Coal Train
- Chief Executive Officer of The Real Group Foundation Ltd
- Chief Executive Officer of The Rocks Bar & Restaurant and The Rocks Café
- Chief Executive Officer of Central Queensland Waste Management
- Chief Executive Officer of Hooked Fishing Charters
- Chief Executive Officer of Jet Dry Cleaning (CQ)
- Chief Executive Officer of The Keppel Barge
- Director, Capricorn Helicopter Rescue Service Ltd

EXPERTISE

A business owner-operator who has extensive geographic, demographic and industry-based knowledge of the resources sector in northern Australia. A former teacher and educational psychologist, with extensive expertise in education, training and mentoring.

PREVIOUS ROLES

- President of the Capricornia Chamber of Commerce
- Director of the Resources Industry Council Central Queensland

SECTOR EXPERIENCE

- Education – tertiary vocational education and training
- Resources
- Construction
- Hospitality
- Tourism
- Transport
- Marine

NORTHERN AUSTRALIA

- Lives in and operates a number of enterprises in north Queensland.
- A strong supporter of development in northern Australia and devotes considerable time to many north Queensland community organisations.

AWARDS

2012 recipient of the Hudson Private and Corporate Award at the Telstra Queensland Business Women's Awards.

MEMBERSHIPS AND AFFILIATIONS

- Patron of the Mining Women's Support Group
- Graduate of the Australian Institute of Company Directors



Ms Belinda Murphy

DIRECTOR

Appointed on 1 July 2019 for the period to 30 June 2021.

CURRENT ROLES

Queensland Reconstruction Authority board member

EXPERTISE

Extensive experience in Local Government in Queensland both operationally and as elected Mayor of McKinlay Shire for eight years.

Graduate degree in Public Sector Management, AICD Finance & Governance short course and currently completing AICD Directors course.

PREVIOUS ROLES

- Elected Mayor of McKinlay shire
- Chair of Outback Queensland Tourism Association
- Local Government of Qld Association Policy Executive

SECTOR EXPERIENCE

- Local Government
- Community services
- Tourism
- Governance
- Finance

NORTHERN AUSTRALIA

Has lived in northwestern Queensland for over 20 years, leading to a strong understanding of the challenges and opportunities in the region. Experience in livestock and transport industry.

Extensive hands on experience both in an operational and leadership role as Mayor.

MEMBERSHIPS AND AFFILIATIONS

Member of Australian Institute of Company Directors



Ms Anthea Long

DIRECTOR

Joined on 27 May 2021 as nominee of the Secretary of the Department of Industry, Science, Energy and Resources (alternate Government member ex officio). Remained in role until 30 June 2021.

CURRENT ROLES

Head of Division, Northern Australia and Major Projects Division, Department of Industry, Science, Energy and Resources.

EXPERTISE

Over 20 years of public policy experience that ranges from senior government roles in the Australian Public Service to community-level implementation, including SME and agricultural market development projects in Cambodia.

PREVIOUS ROLES

- Strategic Policy Division, Department of Industry, Science, Energy and Resources.
- Inquiry Manager, Productivity Commission.
- Agribusiness Economist, Agriculture Quality Improvement Project Cambodia.

SECTOR EXPERIENCE

- Governance
- Industry development
- Agriculture
- Environmental policy

NORTHERN AUSTRALIA

Experience engaging in northern Australia as a senior public servant.



Mr Khory McCormick

CHAIR

DUniv, BA, LL.M

Resigned 25 February 2021.

Appointed Chair on 1 August 2018 for the period to 30 June 2021.

Appointed acting Chair 10 May 2018 - 31 July 2018.

Appointed Director on 19 July 2016 for a period of three years.

EXPERTISE

A legal practitioner having previously been a senior partner at a major Australian law firm. Almost 40 years' experience across infrastructure, resources and energy, construction, transportation in both the public and private sector.

PREVIOUS ROLES

- Elected Mayor of McKinlay shire
- Chair of Outback Queensland Tourism Association
- Local Government of Qld Association Policy Executive

SECTOR EXPERIENCE

- Community sensitive issues advisory
- Education – globalisation and internationalisation of education services
- Energy – asset oversight and management, electricity distribution and retail
- Infrastructure – feasibility analysis, development and advice
- Resources – commodities, supply contract
- Trade, commerce, resources and energy conflicts/dispute resolution and systems design

NORTHERN AUSTRALIA

Experience engaging in northern Australia as a key advisor to significant projects. A foundation Director of NAIF.

AWARDS

Consistently peer ranked over a number of years as a leading lawyer for:

- Alternative Dispute Resolution
- Bet-the-Company litigation
- Government Practices
- International Arbitration
- Litigation; and
- Natural Resources

Recipient of a number of awards including a Doctorate of the University (Griffith University)



Mr Barry Coulter AO

DIRECTOR

FAIM

Resigned 11 March 2021.

Reappointed on 1 July 2019 for the period to 30 June 2021.

Appointed on 19 July 2016 for a period of three years.

CURRENT ROLES

Director of Northern Territory Airports Pty Limited

EXPERTISE

Extensive northern Australia and public sector experience, as a former member of the Northern Territory Legislative Assembly, and serving in senior positions of the Northern Territory government such as Deputy Chief Minister and Treasurer. During this time, responsible for a number of portfolios including transport, infrastructure

and Territory ports. Credited with spearheading the Alice Springs to Darwin Railway Project.

PREVIOUS ROLES

- Chairman of the Darwin Port Authority
- Chairman of Airnorth
- Chairman of Sherwin Iron Ore Limited

SECTOR EXPERIENCE

- Agriculture – livestock
- Construction – mining infrastructure assets
- Infrastructure – road, rail, port, airports
- Resources – iron ore mineral extraction
- Tourism – airports
- Transport – roads, rail, ports and airports
- Water – management and asset oversight

NORTHERN AUSTRALIA

Spent more than 35 years advocating for northern Australia as an elected state government representative and business owner.

MEMBERSHIPS AND AFFILIATIONS

Fellow of the Australian Institute of Management.

Board Member	Eligible	Board Attended	BARC Attended ⁸	PRemCo Attended ⁹
Barry Coulter	7	7		4
Kate George	10	10		4
Anthea Long	1	1		
Justin Mannolini	10	10	5	
Khory McCormick	7	7		
Belinda Murphy	10	10	5	
Bill Shannon	10	10	5	
Karla Way-McPhail	10	10		5

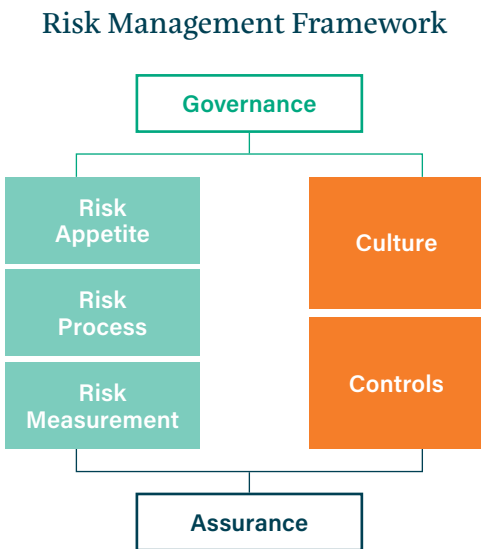
⁸ This shows the attendance of BARC members at the 5 meetings held, other NAIF Directors may attend these meetings, but it is not a requirement

⁹ This shows the attendance of PRemCo members at the 5 meetings held, other NAIF Directors may attend these meetings, but it is not a requirement

Risk Management

NAIF’s approach to risk management is consistent with the International Standard for Risk Management ISO 31000 and is designed to support NAIF in the achievement of its vision and strategic objectives. Effective, good practice risk management enables NAIF to address financing challenges unique to its mandate. Figure 10 illustrates the key elements of NAIF’s Risk Management Framework (RMF).

Figure 10: NAIF’s Risk Management Framework



Governance

The Board has overall responsibility for NAIF’s RMF, supported by the BARC. The Board plays a key role in setting a culture across NAIF that embraces risk management as an essential part of business operations.

The NAIF CEO and EMG are responsible for developing and implementing the Risk Appetite Statement (RAS) and RMF, risk policies, systems, processes and controls, and fostering a risk-aware culture.

An Enterprise Risk Forum, comprising the CEO and risk owners meets quarterly to discuss the status of Key Enterprise Risks (KERs), emerging risks, opportunities and incidents. This forum informs the Quarterly Risk Management and Compliance report presented to the BARC for endorsement and recommendation to the Board.

Risk Appetite

The NAIF Board recognises the importance of maintaining a documented RAS that clearly articulates the amount and type of risk it is willing to seek or retain in pursuit of its mandate and strategic objectives.

The RAS is not a public document as it *describes in detail the way NAIF’s risk appetite and tolerances (qualitative and quantitative) are established and controlled* and as such is considered commercially sensitive.

The RAS provides clear guidance to the executive on the acceptable risk limits within which they must execute their activities. On an annual basis, or more frequently if required, the Board reviews the RAS in conjunction with strategic objectives to ensure continued alignment and address emerging risks, changes to existing risks and changes to Government policy. A review of the RMF and RAS is completed annually.

Risk Process

An effective RMF requires a continuous process of identification, assessment, management, and monitoring of all material risks that could adversely affect current and future operations.

Risk Measurement

NAIF’s KERs are measured using a likelihood and impact matrix to determine a risk rating of low, medium, high or very high. Risks are assessed for their inherent risk exposure as well as their residual risk exposure (taking into consideration mitigating controls).

Criteria for measuring likelihood and impact have been tailored to NAIF’s purpose and include financial, reputational, regulatory, operational and safety considerations.

Risk Culture

Key elements of NAIF’s risk culture are:

- setting the tone from the top through the Board and BARC’s active involvement in the risk management process;
- risk awareness entrenched in day-to-day business processes through recruitment of skilled staff and on-going risk and compliance training;
- rewarding appropriate risk-taking behaviours and challenging inappropriate behaviours via feedback and performance reviews; and
- adequate disclosure of incidents through incident reporting.

Controls

Controls are a key part of NAIF’s RMF and aim to minimise the chance of a risk event materialising. Mitigating controls are documented for each KER and are regularly assessed for effectiveness.

Assurance

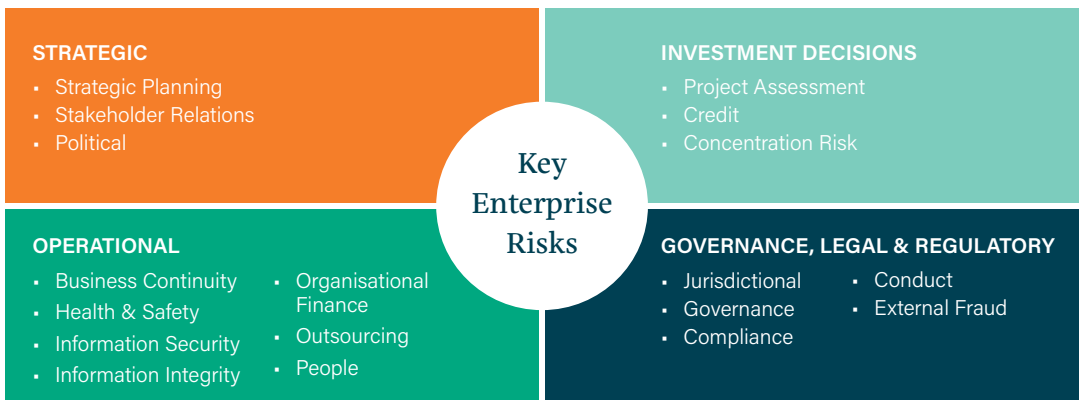
Assurance activity provides a positive declaration that NAIF’s RMF is operating as designed. Both internal and external reviews are conducted to provide the Board with confidence that operations are aligned with approved policy.

Our Key Risks

NAIF has structures in place to manage the risks associated with this function including detailed due diligence and credit approval processes. In addition, NAIF manages a comprehensive list of strategic, governance and operational risks. NAIF’s key risks (refer figure 11) fall into the following broad categories:

- **Strategic:** risks related to meeting strategic objectives and expectations of key stakeholders;
- **Investment Decisions:** Project assessment and credit related risks;
- **Governance, Legal & Regulatory:** compliance with relevant obligations such as confidentiality, conduct and fraud; and
- **Operational:** risks associated with running a viable and efficient business including resourcing, business continuity, outsourcing and health and safety.

Figure 11: NAIF Key Enterprise Risks



Quarterly Risk Management and Compliance Report

NAIF’s quarterly Risk Management and Compliance Report (RMAC Report) provides ongoing monitoring and reporting of NAIF’s Key Enterprise Risks (KERs). It includes an analysis of the residual risk rating, tolerance measures and control effectiveness for each KER including any proposed changes from the previous quarter.

Commentary is included for each KER highlighting relevant activity over the current quarter and whether

this activity has impacted the residual risk rating. Should a KER be assessed as outside appetite, for example due to control failures and/or tolerance breaches, an action plan to address deficiencies is developed and monitored by the Risk Owner.

BARC endorsed the RMAC Reports for Board approval for each quarter of FY20-21.

People

Organisational structure and location

NAIF's head office in Cairns allows the CEO and Employees to develop strong relationships across northern Australia. NAIF also has Employees located in Darwin, Townsville, Perth, Brisbane and Sydney.

NAIF's Executive Team includes the CEO and six direct reports. The Chief Investment Officer is supported by five Directors who specialise in different sectors and work across NAIF's northern Australian jurisdictions (Queensland, Northern Territory and Western Australia). They are supported by investment team members who undertake due diligence, financial analysis and contract negotiation.

Additional specialists across the broader team have responsibilities for corporate planning and reporting, communications and stakeholder relations, legal, governance and risk, and human resource functions. The Chief Investment Risk Officer was appointed just prior to period end and is currently managing a credit and portfolio management team employed by Export Finance Australia who provide these services to NAIF through a service level agreement. Over the next twelve months NAIF will bring the credit and portfolio management functions in house.

Service Level Agreement (SLA) with Export Finance Australia

NAIF is supported in its day-to-day operations through an SLA with Export Finance Australia. The SLA is for a term that extends until the last NAIF loan is expected to be repaid.

As an experienced financier, Export Finance Australia has expertise in managing large and complex lending transactions and is also a Corporate Commonwealth entity under the PGPA Act. The SLA arrangement ensures an efficient use of existing Commonwealth resources, reducing the duplication of resourcing requirements across government entities. The SLA allowed NAIF to transition from its start-up phase to operational phase more effectively and faster than it would have otherwise. Shared learnings across teams have also been a key benefit to both organisations.

The services provided by Export Finance Australia under the SLA fall into two broad categories:

1. Assisting with transaction environment and technical review, credit assessment and also managing the administration of the NAIF loan portfolio post financial close; and
2. Corporate and administrative services, financial management and reporting, human resources, information technology and communication, and property management.

Under this SLA, NAIF can access resources from Export Finance Australia on an 'as needs' basis. This allows NAIF to meet the needs of its business, proponents and other stakeholders efficiently and cost effectively.

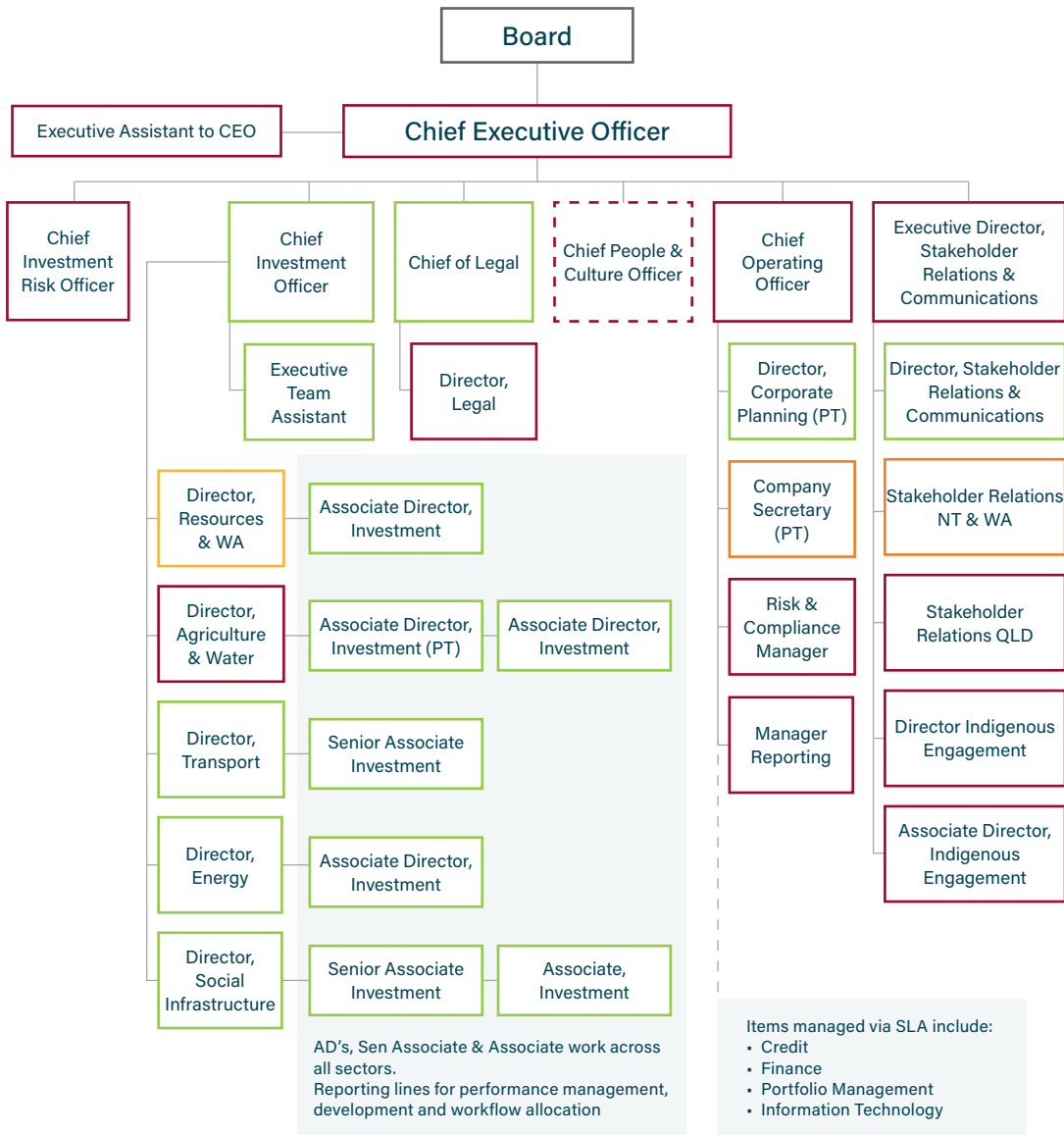
Export Finance Australia Employees providing services to NAIF under the SLA are considered NAIF Employees when performing those services for the purposes of NAIF's general operations, and the provision of financial, audit and other statutory and non-statutory sign-offs.

People

The ability of NAIF to meet its strategic vision is heavily dependent on the quality of its people. NAIF has secured a committed team with extensive experience as financiers and/or financial advisors in the commercial market, this includes expertise in both the public and private sector. NAIF has also recruited people with specialist legal, stakeholder relations and communications, risk and governance, Indigenous engagement and corporate administration expertise.

NAIF is committed to providing a learning and performance culture where its people have support to succeed and grow.

Figure 12: NAIF Organisational Structure (as at 30 June 2021)



Key:

- NAIF employees QLD based
- NAIF employees NSW based
- NAIF employees WA based
- NAIF employees NT based
- Contractor, QLD based

Workforce Demographics

As at 30 June 2021, NAIF had 29.4 Full Time Equivalent (FTE) Employees, an increase of seven FTE since 30 June 2020. This includes one Australian Government Average Staffing Level position, representing the CEO position, as reported in the Portfolio Budget Statements.

Figure 13: Number of FTE Employees

	30 June 2021	30 June 2020
Total FTE staff	29.4	22.4

Figure 14: Number of Full-Time / Part-Time Employees (by headcount)

	30 June 2021	30 June 2020
Full-Time Employees	27	20
Part-Time Employees	3	3

Figure 15: Location of Employees (by headcount)

	30 June 2021	30 June 2020
Cairns	10	6
Brisbane	1	1
Sydney	15	15
Darwin	2	0
Townsville	1	0
Perth	1	1

Diversity and Inclusion

It is a strategic priority for NAIF to build and maintain a diverse workforce with the technical skills to fulfil its purpose. NAIF believes that diversity of thought helps to build Employee engagement, drive innovation and results, and allow it to respond effectively to the diverse needs of all stakeholder groups.

NAIF champions a constructive and inclusive culture that embraces the different perspectives, identities and experiences of its people. NAIF provides equal opportunity in all aspects of employment, including employment conditions, recruitment selection, remuneration, learning and development, and promotion.

NAIF is committed to Indigenous diversity and achieving a minimum 2.5 per cent Indigenous Employee representation, in line with the Australian Government policy target. During the reporting period NAIF included one Indigenous Employee working in the Cairns head office.

Figure 16: NAIF gender diversity profile at 30 June 2021

Classification	Female Headcount		Male Headcount		Total	
Full-Time Employees	33.33	%	66.67	%	30	100%

Figure 17: NAIF workforce diversity at 30 June 2021

Classification	NESB ¹⁰ Headcount		ATSI ¹¹ Headcount		PWD ¹²	
Full-Time Employees	43.33	%	3.33	%	3.33	100%

Learning and Development

Through NAIF's own training program and through the Export Finance Australia SLA, NAIF Employees are provided with access to a learning and development curriculum. Employees receive initial induction through Human Resources, and then a further NAIF specific risk and compliance induction. There is then progressive compliance and other specialist training with a rolling schedule of independent experts presenting on industry sector trends and developments, as well as law, finance, compliance and risk.

As part of NAIF's performance and development program, Employees have career discussions with their managers, and identify development plans for the year ahead.

NAIF encourages its Employees to attend, participate and present at thought leadership and industry conferences, to share what they have learnt.

Employee Benefits

Flexible working

NAIF offers an agile working environment to provide its Employees with options to assist them in managing their work, travel and personal commitments. All Employees have the technology to work remotely or from any NAIF office. NAIF Employees have both formal and informal flexible work arrangements.

Wellbeing initiatives / Employee Assistance programs

NAIF's Employees benefit from Export Finance Australia's wellbeing programs, which promote improved health awareness, self-management skills and healthy work practices.

Through Export Finance Australia, NAIF's Employees also have access to an Employee Assistance Program, which provides support to them and their immediate families as needed, as well as access to a free confidential counselling service.

All NAIF Employees were offered a complimentary influenza vaccination as part of the commitment to health and wellbeing of Employees.

Work, Health and Safety

During the COVID-19 pandemic, NAIF's ability to utilise technology options ensured remote working options allowed NAIF to continue without interruption during this challenging period.

NAIF's office space is in secure buildings with restricted security pass access. Workstations and facilities have modern safety features, such as adjustable seats and computer monitors. Employees are also given information on ergonomic self-assessment and provided with additional equipment as required.

NAIF works closely with Export Finance Australia around work, health and safety (WHS). NAIF engages with its Employees on WHS matters, including the adequacy of its facilities, and takes steps to ensure a positive, productive and risk free working environment. NAIF has a designated First Aid Officer and Fire Warden in its Sydney and Cairns office and first aid training is also offered to additional Employees.

NAIF takes a pragmatic, risk based approach to WHS compliance framework and management practices. Workplace hazards are prioritised according to the risk that they pose to the health and safety of NAIF's Employees and are dealt with promptly.

¹⁰ NESB = Non English speaking background (or with parents from a non-English speaking background).

¹¹ ATSI = Aboriginal or Torres Strait Islander background.

¹² PWD = people with a disability.

NAIF records and monitors hazards and controls. Key risk areas that require specialised monitoring have been identified as domestic travel, often to remote areas of northern Australia.

NAIF has a process for incident notification and investigation, which includes reporting of 'near misses'. Incidents and near misses are managed, and proactive measures are put in place to reduce the potential risks identified.

NAIF had no workplace injuries among Employees and contractors and was not investigated and did not receive any notices or record any 'notifiable incidents' under the WHS Act, during the reporting period.

Executive Remuneration policies and practices

In accordance with the requirements of the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule) and the Department of Finance Resource Management Guide (RMG)-138 Commonwealth entities Executive Remuneration Reporting Guide for Annual Reports, NAIF reports on its policies which support its remuneration practices.

Table 18 lists the Key Management Personnel (KMPs) for FY20-21. It includes all Non-Executive Directors and those Executives deemed to be KMP by the Board. For FY20-21 the Executives deemed KMP's include the CEO and in addition this year the Chief Investment Officer (CIO), Chief Investment Risk Officer (CIRO) and Chief Operating Officer (COO) have been added as KMP's. The CIO, CIRO and COO are all new positions that did not exist in the prior financial year. These individuals are identified as KMPs consistent with the definition in the Australian Accounting Standards Board (AASB) 124 Related Party Disclosures.

A further four Employees are classified as senior executives and five as other highly paid Employees for the purposes of the Commonwealth's remuneration reporting. Refer to table 21 and table 22 following. Senior executives are defined as those executives, other than KMPs who are responsible for making decisions, or having substantial input into decisions, that affect the operations of the entity. Other highly paid staff are Employees who are neither KMP nor senior executives and whose total remuneration exceeds the \$230,000 threshold for the FY20-21 reporting period.

Table 18: FY20-21 KMPs

Name	Title	KMP Status	FY20-21 Status
Board			
Mr Khory McCormick	Chair	Part Year	Not current
Mr Bill Shannon	Director	Full Year	Current
Ms Karla Way-McPhail	Director	Full Year	Current
Mr Barry Coulter	Director	Part Year	Not current
Mr Justin Mannolini	Director / Acting Chair	Full Year	Current
Ms Kate George	Director	Full Year	Current
Ms Belinda Murphy	Director	Full Year	Current
Ms Anthea Long	Director	Part Year	Current
Management			
Mr Chris Wade	Chief Executive Officer	Full Year	Current
Ms Amanda Copping	Chief Investment Officer	Full Year	Current
Mr Nicholas Mant	Chief Investment Risk Officer	Part Year	Current
Ms Jacinta Hynes	Chief Operating Officer	Part Year	Current

Remuneration

To achieve its business outcomes, as outlined in the Corporate Plan and as more broadly set through Government direction including the Investment Mandate and Statement of Expectations, NAIF needs to be able to attract, reward and retain skilled Employees.

NAIF's Employee Remuneration Policy and processes are directed to supporting that outcome, recognising that NAIF works within an acceptable cost framework and complies with relevant Australian Government's policies for its statutory agencies.

NAIF's Employees include specialist project financiers (investment specialists, financial analysts and project finance legal advisers). Other roles include support for strategy, budgeting, audit, government and Indigenous stakeholder engagement, corporate planning and reporting, communications and team support.

NAIF Employees are employed on common law contracts. NAIF Employees are not considered public servants and are not covered by the Australian Public Service Act 1999.

Remuneration for all Employees (excluding the CEO) consists of two components; a Fixed Annual Remuneration (FAR) and 'at risk' remuneration delivered through a Short-Term Incentive (STI) program. The FAR aims to reward Employees for executing the core requirements of their role. The STI program is an 'at risk' annual incentive opportunity where an STI payment may be awarded to ensure alignment with strategic objectives. Both FAR and STI remuneration determinations are made balancing relevant corporate and individual key performance indicators (KPIs') outcomes. The STI program is known as an Annual Performance Reward.

Fixed Annual Remuneration (FAR)

FAR is comprised of base salary, superannuation contributions and any non-cash benefits. The following principles, outlined in the NAIF Employee Remuneration Policy underpin NAIF's setting of appropriate FAR:

- Market salary will be determined by comparing each Employee's salary, to salary data from the financial services sector to provide independent benchmarking in determining appropriate remuneration for roles across the organisation. NAIF uses data obtained from the Financial Institutions Remuneration Group (FIRG).
- The FIRG data incorporates the salaries paid by other financial institutions for comparable roles or job families. This takes into account the complexity of the role. Remuneration benchmarking aims to position total remuneration competitively against comparable

organisations. The guiding principle is to position total FAR remuneration towards the mid-point of the benchmark for comparable roles in the Australian market, whilst having regard to (and complying where required) with broader Government remuneration related policies such as the Australian Public Service Commission (APSC) Workplace Bargaining Policy.

- An individual's skills and experience. Within each job family, the FIRG material recognises that individuals will bring different levels of competence to a role, and that an individual's competence changes over time.
- End of year performance discussions.

STI Program - Annual Performance Rewards

The provision of Annual Performance Rewards are discretionary. Payment of the STI is considered, where corporate and individual KPIs are met and the organisations values have been demonstrated over the course of the year.

NAIF values a number of financial and non financial outcomes, behaviours and actions in considering STI recommendations. Certain performance gateways are required to be achieved by the individual before any STI payment can be earned being a minimum overall performance rating on KPIs which include risk and behavioural KPIs.

Bonus payments are pro-rata based on Employee Full Time Equivalent (FTE) status and tenure, factoring in the date of commencement and extended periods of leave. Bonuses for Employees who commenced after 1 January are only considered in exceptional circumstances.

Following a review of Corporate KPI's level of achievement, PRemCo recommends to the Board the STI allocation pool. The STI pool is determined at the discretion of the Board.

Following the year end annual performance review process and STI pool allocation, the CEO and HR reviews and applies the STI Framework. Employees must have been an Employee of NAIF prior to 1st January to be eligible to participate unless under exceptional circumstances.

Salary increases

NAIF works within the parameters of the Remuneration and Funding Declaration (Declaration) under the Workplace Bargaining Policy approved by the APSC Commissioner. The Declaration sets out the maximum amount to be awarded in non-promotional salary package increases. A funding declaration was approved in 2020 for remuneration increases of up to six percent averaged over three years for the September 2020 to September 2023 period.

Employees who commence after 1 January are not eligible for a salary review in September of their starting year. Employees on extended leave including parental leave must be considered for a remuneration increase. This principle is consistent with best practice as a mechanism to assist in reducing the gender pay gap.

Salary increases are recommended by HR and approved by the CEO having regard to the individual performance, career progression and comparable market data.

Directors Remuneration

All NAIF Directors are appointed by the Australian Government through the responsible Minister. These appointments are made in accordance with s15 of the NAIF Act. Board Fees for Directors are set and paid according to the determination of the independent Australian Government Remuneration Tribunal (the Tribunal). This includes fees for Directors as well as those Directors appointed as members of the NAIF Board Audit and Risk Committee (BARC). NAIF has no role in determining the level of the Board Director fees. Statutory superannuation is paid in addition to the fees set by the Tribunal.

Table 19: Remuneration Tribunal (the Tribunal) Board and Committee fees (excluding superannuation) for FY20-21

NAIF Director	Annual Fee set by the Tribunal	Note
NAIF Chair	\$119,890	
NAIF Director	\$59,600	Mr Coulter AO received an annual member fee of \$46,530 instead of \$59,600. Ms Long position on the NAIF Board as a nominee of the Secretary of DISER is not remunerated.
NAIF BARC Chair	\$16,320	
NAIF BARC Member	\$8,160	

CEO Remuneration

The CEO position is classified as a Full-Time Public Office holder under the Tribunal Determinations.

In accordance with the Tribunal Determination 2019 total remuneration for the Chief Executive Officer was \$435,720. In accordance with the Tribunal's determination the CEO position is not entitled to a Bonus.

Remuneration governance arrangements

The NAIF Board established a People Remuneration Committee (PRemCo) which operates under a People Remuneration Committee Charter. The primary role of the PRemCo is to provide oversight of NAIF's people, remuneration policies and strategies.

Employee remuneration decisions, within NAIF, consistent with the NAIF Employee Remuneration Policy are determined as follows:

The CEO:

- is responsible for implementing NAIF performance management and remuneration policies and practices.
- ensures KPIs are set for all Employees to support the NAIF's key strategic initiatives as detailed in the NAIF Corporate Plan. Year end review of performance against the KPIs is completed by people leaders with all Employees.
- with HR and the executive team, conducts a moderating review to ensure consistent application of performance ratings.
- prepares a recommended STI pool provision for review by PRemCo and recommendation to the Board. The size of the STI pool provision is based on achievement of the corporate KPI's and budget allocations.
- with HR applies the performance management ratings and STI framework to all Employees.

- with HR provides PRemCo analysis including a summary of the allocated performance outcomes and STI payments.

The PRemCo:

- considers the recommendations presented by the CEO.
- provides advice to the Board as to whether to endorse the STI pool, this advice was provided at the June 2021 Board.

The Board:

- is responsible for ensuring that NAIF has coherent policies and practices that fairly and responsibly manage the performance and remuneration arrangements for the NAIF Employees.

- considers recommendations made by the CEO and PRemCo in that regard and at the Board's discretion approves the payment of a Bonus pool.

FY20-21 Remuneration Information

The following tables details the remuneration paid to NAIF KMPs, senior executives and other highly paid staff in FY20-21.

Table 20: Remuneration paid to KMPs in FY20-21

Key management personnel remuneration for the reporting period 2021		\$
Short-term employee benefits:		
Salary		1,409,103
STI Performance Incentives		103,000
Other benefits and allowances		34,491
Total short term employee benefits		1,546,594
Superannuation		
		124,184
Total post-employment employee benefits		124,184
Long service leave		
		21,706
Total other long-term benefits		21,706
Termination benefits		
		0
Total key management personnel remuneration		1,692,484

Table 20: Remuneration paid to KMPs in FY20-21 *continued*

Name	Position title	Salary	Annual leave adjustment	Short term benefits			Post employment benefits	Other long-term benefits	Termination Benefits	Total Remuneration	
				Base salary	Variable Remuneration	Other benefits & allowances	Superannuation contributions	Long service leave	Other long term benefits	Termination benefits	Total remuneration
Khory McCormick	Board	79,927	-	79,927	-	-	7,593	-	-	-	87,520
Justin Mannolini	Board	75,920	-	75,920	-	-	7,212	-	-	-	83,132
William Shannon	Board	67,760	-	67,760	-	-	6,437	-	-	-	74,197
Karla Way-McPhail	Board	59,600	-	59,600	-	-	5,662	-	-	-	65,262
Kate George	Board	59,600	-	59,600	-	-	5,662	-	-	-	65,262
Belinda Murphy	Board	67,760	-	67,760	-	-	6,437	-	-	-	74,197
Barry Coulter	Board	66,390	-	66,390	-	-	6,307	-	-	-	72,697
Christopher Wade	CEO	398,177	18,307	416,484	-	34,491	37,827	9,948	-	-	498,750
Amanda Copping	Chief Investment Officer	334,838	8,263	343,101	76,000	-	25,166	7,991	-	-	452,258
Jacinta Hynes	Chief Operating Officer	163,300	5,392	168,692	27,000	-	15,514	3,767	-	-	214,973
Nicholas Mant	Chief Investment Risk Officer	3,869	-	3,869	-	-	368	-	-	-	4,236
Subtotal				\$1,409,103	\$103,000	\$34,491	\$124,184	\$21,706	-	-	\$1,692,484

Table 21: Remuneration paid to senior executives in FY20-21

Remuneration Band	Number of Senior Executive Staff	Short term benefits			Post employment benefits	Other long-term benefits	Termination Benefits	Total Remuneration	
		Average Base salary (\$)	Average Variable Remuneration (\$)	Average Other benefits and allowances (\$)	Average Superannuation contributions (\$)	Average Long service leave (\$)	Average Other long-term benefits (\$)	Average Termination Benefits (\$)	Average total remuneration (\$)
\$0 – \$220,000	1	156,296	-	-	14,689	3,653	-	-	174,638
\$245,001 – \$270,000	1	128,054	-	-	12,874	1,998	-	122,800	265,725
\$270,001 – \$295,000	1	131,734	-	-	12,874	1,998	-	128,927	275,533
\$370,001 – \$395,000	1	287,605	54,000	-	26,478	6,963	-	-	375,047
	4								

Table 22: Remuneration paid to other highly paid staff in FY20-21

Remuneration Band	Number of Other Highly Paid Staff	Short term benefits			Post employment benefits	Other long-term benefits	Termination Benefits	Total Remuneration	
		Average Base salary (\$)	Average Variable Remuneration (\$)	Average Other benefits and allowances (\$)	Average Superannuation contributions (\$)	Average Long service leave (\$)	Average Other long-term benefits (\$)	Average Termination Benefits (\$)	Average total remuneration (\$)
\$230000 – \$245000	2	196,187	20,250	-	18,896	4,711	-	-	240,043
\$270001 – \$295000	1	224,801	37,500	-	21,825	5,479	-	-	289,605
\$295001 – \$320000	2	248,142	31,250	-	23,154	6,050	-	-	308,596
	5								

Financial Statements

Statement by Board Members, Chief Executive Officer and Chief Financial Officer	57	Notes to and forming part of the Financial Statements	66
Independent Auditor's Report	58	Note 1: Financial Performance	
Statement of Profit or Loss and Other Comprehensive Income	60	1.1 Expenses	66
Statement of Financial Position	61	1.2 Revenue	67
Statement of Changes in Equity	62	Note 2: Financial Position	
Cash Flow Statement	63	2.1 Financial Assets	68
Overview	64	2.2 Non-Financial Assets	68
		2.3 Payables	69
		2.4 Interest Bearing Liabilities	69
		Note 3: People and Relationships	
		3.1 Key Management Personnel Remuneration	70
		3.2 Related Party Disclosures	71
		Note 4: Aggregate Assets and Liabilities	71

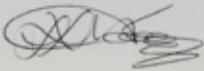


Statement by Board Members, Chief Executive Officer and Chief Financial Officer

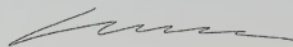
In our opinion, the attached financial statements for the year ended 30 June 2021 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*, and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Northern Australia Infrastructure Facility (NAIF) will be able to pay its debts as and when they fall due.

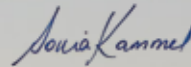
This statement is made in accordance with a resolution of the Board.



Tracey Hayes
BOARD CHAIR
27 September 2021



Christopher Wade
CHIEF EXECUTIVE OFFICER
27 September 2021



Sonia Kammel
CHIEF FINANCIAL OFFICER
27 September 2021

FINANCIAL STATEMENTS

Independent Auditor's Report



OFFICIAL



INDEPENDENT AUDITOR'S REPORT

To Minister for Agriculture and Northern Australia

Opinion

In my opinion, the financial statements of the Northern Australia Infrastructure Facility ('the Entity') for the year ended 30 June 2021:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements 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 2021 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 2021 and for the year then ended:

- Statement by Board Members, Chief Executive Officer and Chief Financial Officer;
- Statement of Profit or Loss and Other Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to the financial statements, comprising a summary of significant 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 his 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 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 to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

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OFFICIAL

OFFICIAL**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



Rahul Tejani
Executive Director
Delegate of the Auditor-General

Canberra
28 September 2021

FINANCIAL STATEMENTS

Statement of Profit or Loss and Other Comprehensive Income

For the period ended 30 June 2021

*commentary below

	Note	2021 \$'000	2020 \$'000	Original Budget \$'000
NET COST OF SERVICES				
Expenses				
Employee Benefits	1.1A	7,074	7,544	8,597
Suppliers	1.1B	4,729	3,130	3,307
Depreciation on right of use assets	2.2A	88	118	88
Finance costs	1.1C	-	1	-
Total expenses		11,891	10,793	11,992
Own-Source Income				
Own source revenue	1.2A	-	18	30
Net cost of services		(11,891)	(10,775)	(11,962)
Revenue from Government	1.2B	13,187	10,340	11,962
Credit/(charge) to sundry allowances		-	-	-
Total comprehensive income/(loss) attributable to the Australian Government		1,296	(435)	-

*The original budget for the 2020-21 financial year shown here, is the budget presented to Parliament in the 2020-21 Portfolio Budget Estimates. This budget was updated in the additional estimates prepared in February 2021. Due to an expanded mandate, an additional appropriation amount was allocated, although some of the initiatives in this budget have been delayed and the costs will come in next financial year.

In 2020-21, \$11.891 million of the \$13.187 million budget was expensed leaving an underspend of \$1.296 million. At the date of these accounts, NAIF has not yet put in the application to carry forward an amount from the underspend into the next financial year.

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

FINANCIAL STATEMENTS

Statement of Financial Position

For the period ended 30 June 2021

	Note	2021 \$'000	2020 \$'000	Original Budget \$'000
ASSETS				
Financial assets				
Cash	2.1A	4,893	3,635	3,855
Other receivables	2.1B	155	155	134
Total financial assets		5,008	3,790	3,989
Non-financial assets				
Right of Use Assets	2.2A	-	88	-
Other non-financial assets	2.2B	7	12	12
Total non-financial assets		7	100	12
Total assets		5,015	3,890	4,001
LIABILITIES				
Payables				
Suppliers	2.3A	1,331	1,410	1,436
Other payables	2.3B	110	81	-
Total payables		1,441	1,491	1,436
Interest bearing liabilities				
Lease liabilities		-	92	-
Total interest bearing liabilities		-	92	-
Provisions				
Employee leave & other entitlements		1,086	1,115	1,373
Total provisions		1,086	1,115	1,373
Total liabilities		2,527	2,698	2,809
Net assets		2,488	1,192	1,192
Equity				
Retained surplus		2,488	1,192	1,192
Total equity		2,488	1,192	1,192

The retained surplus is partly explained by timing differences associated with recruitment and related activities being delayed, as the expansion of NAIF and the funding was advised late in the year and thus the initiatives were not able to be put in place prior to year and so the funding for these has not been spent.

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

FINANCIAL STATEMENTS

Statement of Changes in Equity

For the period ended 30 June 2021

	Retained Surplus		Original Budget \$'000
	2021 \$'000	2020 \$'000	
RETAINED SURPLUS			
Opening balance as at 1 July	1,192	1,632	1,192
Adjustment on initial application of AASB 16	-	(5)	-
Adjusted opening balance	1,192	1,627	1,192
Comprehensive Income			
Surplus/(Deficit) for the period	1,296	(435)	-
Total comprehensive income/(loss)	1,296	(435)	-
Closing balance as at 30 June	2,488	1,192	1,192

Budget figures assumed all of the funding for this year would be spent in the 2020-21 financial year, whereas due to the late timing of some approvals an amount will need to carry forward into the 2021-22 financial year.

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

FINANCIAL STATEMENTS

Cash Flow Statement

For the period ended 30 June 2021

	2021 \$'000	2020 \$'000	Original Budget \$'000
OPERATING ACTIVITIES			
Cash received			
Receipts from Government	13,208	10,319	11,983
Interest	-	18	30
Total cash received	13,208	10,337	12,013
Cash used			
Employees	7,074	7,380	8,420
Suppliers	4,784	4,476	3,281
Total cash used	11,858	11,856	11,701
Net cash from operating activities	1,350	(1,519)	312
FINANCING ACTIVITIES			
Cash Used			
Principal payments of lease liabilities	92	121	92
Total cash used	92	121	92
Net cash from financing activities	(92)	(121)	(92)
Net increase/(decrease) in cash held	1,258	(1,640)	220
Cash at the beginning of the reporting period	3,635	5,275	3,635
Cash at end of the reporting period	4,893	3,635	3,855

The major variance is that NAIF has paid a higher amount to suppliers and has a corresponding lower amount of liabilities to suppliers on the balance sheet.

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

FINANCIAL STATEMENTS

Overview

For the period ended 30 June 2021

Basis of preparation

The Financial Statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The financial statements have been prepared in accordance with:

- a. Australian Accounting Standards and Interpretations - Reduced Disclosure Requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period; and
- b. *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR).

The Financial Statements are prepared in Australian dollars and rounded to the nearest thousand dollar (\$'000).

The Financial Statements have been prepared on an accrual basis and in accordance with the historical cost convention. No allowance is made for the effects of changing prices on the results or the financial position.

New accounting standards

No accounting standard has been adopted earlier than the application date as stated in the standard.

The adoption of new standards and amendments that came into effect for this financial year did not have a significant financial impact on the Financial Statements.

Taxation

NAIF is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

Asset recognition

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position, except for:

- items of property with a project cost less than \$15,000 (which are expensed in the year of acquisition); and
- items of plant and equipment costing less than \$7,500 (which are expensed in the year of acquisition).

Leases

Leased Right Of Use (ROU) assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned.

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.

NAIF maintains office space for staff based in Sydney through a service level agreement (SLA) with Export Finance Australia. The right to direct the use of the office space remains with Export Finance Australia, hence no ROU and lease liability have been recognised in the balance sheet.

NAIF leases office space in Cairns, the lease has expired and they are currently on month to month. NAIF is currently looking for new office space in Cairns.

NAIF maintains minimal office space in various other states through a service level agreement (SLA) or month by month arrangements. The right to direct the use of the office space remains with the landlord, hence no ROU and lease liability is recognised on the balance sheet, hence no ROU and lease liability have been recognised in the balance sheet.

FINANCIAL STATEMENTS

Overview *continued*

For the period ended 30 June 2021

Employee policies

Liabilities for short-term employee benefits expected within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

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 entity'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 shorthand method, and with management assessments relating to salary growth rates. The estimate of the present value of the liability takes into account an estimate of attrition rates and pay increases through promotions and inflation.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave estimated to be taken in the future by NAIF employees is less than the annual entitlement for sick leave.

NAIF's employees are members of superannuation funds held outside the Australian Government. NAIF makes employer contributions to these funds as per the Superannuation Guarantee Contribution rate. The liability for superannuation recognised as at 30 June 2021 represents outstanding contributions.

COVID-19

NAIF derives income mainly from pre-determined revenue from the Government and is relatively insulated from the immediate downturn due to COVID-19. NAIF has been able to continue to operate remotely as needed in the current environment. There has been no material impact to the financial performance of NAIF as a result of COVID-19. As the situation is fluid and rapidly evolving, it is not practicable to predict any potential future impact of the outbreak on NAIF.

Events after the reporting period

Under the structural changes, NAIF will now operate under the Department of Infrastructure, Transport, Regional Development and Communications (DITRDC). There will be a transition from Department of Industry, Science, Energy and Resources (DISER) to the new department in July and August and on September 1st, the NAIF functions will be officially transferred to DITRDC.

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

For the period ended 30 June 2021

Financial Performance

	2021 \$'000	2020 \$'000
NOTE 1.1 EXPENSES		
1.1A Employee Benefits		
Wages and salaries	6,047	6,375
Superannuation defined contribution plans	537	572
Leave and other entitlements	156	393
Separation and redundancies	334	204
Total employee benefits	7,074	7,544
Accounting policies for employee related expenses in contained in the Overview section		
1.1B Suppliers		
Professional fees	1,040	531
Consultants	901	489
Services provided by Export Finance Australia	882	760
Computer and communication costs	464	224
Contractors	441	172
Property costs	371	292
Travel	269	422
Advertising and promotional costs	89	83
Insurance	39	33
Credit information	11	11
Other	222	113
Total suppliers	4,729	3,130
1.1C Finance costs		
Interest on lease liabilities	-	1
Total finance costs	-	1

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

continued

For the period ended 30 June 2021

	2021	2020
	\$'000	\$'000
NOTE 1.2 REVENUE		
1.2A Own source revenue		
Interest	-	18
Total own source revenue	-	18
1.2B Revenue from Government		
Department of Industry, Science, Energy and Resources		
Corporate Commonwealth entity payment	13,187	10,319
Corporate Commonwealth entity receivable	-	21
Total revenue from Government	13,187	10,340

Funding received or receivable from the Department of Industry, Science, Energy and Resources (DISER), are appropriated to NAIF as a Corporate Commonwealth Entity payment item and is recognised as Revenue from the Government when NAIF gains control of the funding. If the funding is in the nature of an equity injection, such amounts are recognised directly in contributed equity in the year received.

Under the structural changes, NAIF will now operate under the Department of Infrastructure, Transport, Regional Development and Communications (DITRDC). There will be a transition from DISER to the new department in July and August and on September 1st, the NAIF functions will be officially transferred to DITRDC. The funding amounts will not change but DITRDC will take over the funding obligation.

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

continued

For the period ended 30 June 2021

Financial Position

	2021 \$'000	2020 \$'000
NOTE 2.1 FINANCIAL ASSETS		
2.1A Cash		
Cash at bank	4,893	3,635
Total cash	4,893	3,635

Cash is held on deposit and is available at call

2.1B Other Receivables		
Appropriations receivable	-	21
Goods and services tax	115	134
Total other receivables	115	155

NOTE 2.2 NON-FINANCIAL ASSETS

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

	Plant and equipment \$'000
AS AT 1 JULY 2020	-
Recognition of right of use asset on initial application of AASB 16	88
Adjusted total as at 1 July 2020	88
Depreciation on right-of-use assets	88
Total as at 30 June 2021	-
Total as at 30 June 2021 represented by	
Gross book value	88
Accumulated depreciation	88
Total as at 30 June 2021	-
Carrying amount of right-of-use assets	-

Refer Overview section for accounting policy on property, plant, equipment and leases.

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

continued

For the period ended 30 June 2021

	2021	2020
	\$'000	\$'000
2.2B Other non-financial assets		
Prepayments	7	12
Total other non-financial assets	7	12
NOTE 2.3 PAYABLES		
2.3A Suppliers		
Trade creditors and accruals	1,331	1,410
Total suppliers	1,331	1,410

Supplier payables are recognised at cost to the extent that goods and services have been received irrespective of having been invoiced. Credit terms for goods and services is usually within 30 Days.

2.3B Other Payables		
Salaries and wages	101	75
Superannuation	9	6
Total other payables	110	81

The liability for salaries and wages and superannuation recognised represents outstanding amounts for the final fortnight of the financial year.

NOTE 2.4 INTEREST BEARING LIABILITIES		
2.4A Leases		
Lease liabilities	-	92
Total lease	-	92

Total cash outflow for leases for the year ended 30 June 2021 was \$92,000.

Refer Overview section for accounting policy on leases.

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

continued

For the period ended 30 June 2021

People and Relationships

3.1 KEY MANAGEMENT PERSONNEL REMUNERATION

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. The entity has determined the key management personnel to be the Board members, the Chief Executive Officer, Chief Investment Officer, Chief Investment Risk Officer, Chief Operating Officer, the Minister for Northern Australia, and the Portfolio Minister.

The key management personnel remuneration excludes the remuneration and other benefits of the Minister for Northern Australia and the Portfolio Minister. The Minister for Northern Australia and the Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by NAIF. NAIF key management personnel remuneration is:

	2021 \$	2020 \$
Short-term employee benefits	1,546,594	1,365,630
Post-employment benefits	124,184	131,295
Other Long-term employment benefits	21,706	3,316
Termination benefits	-	204,386
Total key management personnel remuneration expenses	1,692,484	1,704,627
Total number of key management personnel that are included in the above table are:	11	11

Changes to the key management personnel during the financial year were personnel that departed in the prior year are only in the prior year figures and new this financial year were the Chief Investment Officer, Chief Investment Risk Officer and the Chief Operating Officer.

Short-term employee benefits include salary, annual leave, variable remuneration, other benefits and allowances. Post-employment benefits relates to superannuation. Other long-term benefits principally relates to long service leave.

This table has been based on the requirements stipulated in the Resource Management Guide No. 138 Commonwealth entities Executive Remuneration Reporting Guide for Annual Reports.

The Board and CEO remuneration and other benefits are set by the Remuneration Tribunal. The Board members and CEO are not paid performance awards.

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

continued

For the period ended 30 June 2021

3.2 RELATED PARTY DISCLOSURES

NAIF is an Australian Government controlled entity. Related parties to the entity are the key management personnel as defined above and other Australian Government entities.

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens.

Significant transactions with related parties can include provision of corporate and administration services to NAIF, the provision of insurance, the provision of leases and the purchases of goods and services.

Where a NAIF Board member has an actual, apparent or potential conflict of interest in relation to a potential investment decision, that member does not receive papers or participate in discussions on that transaction. A conflicts of interest register is maintained to record Board members' disclosed interests. Minutes from Board meetings record recusals as and when they occur.

NAIF is supported in its day-to-day operations through an SLA with Export Finance Australia. As an experienced financier, Export Finance Australia has expertise in managing large and complex lending transactions and is also a Corporate Commonwealth entity under the PGPA Act. The SLA arrangement ensures an efficient use of existing Commonwealth resources, reducing the duplication of resourcing requirements across government entities. The SLA allowed NAIF to transition from its start-up phase to operational phase more effectively and faster than it would have otherwise. Under this SLA, NAIF can access resources from Export Finance Australia on an 'as needs' basis. This allows NAIF to meet the needs of its business, proponents and other stakeholders efficiently and cost effectively.

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

NOTE 4 AGGREGATE ASSETS AND LIABILITIES

Assets expected to be recovered in:

No more than 12 months	5,015	3,890
More than 12 months	-	-
Total assets	5,015	3,890

Liabilities expected to be settled in:

No more than 12 months	2,317	2,471
More than 12 months	210	227
Total liabilities	2,527	2,698
Total aggregated assets and liabilities	2,488	1,192

Index of Statutory Reporting Requirements

The Board of NAIF is obligated under section 46 of PGPA Act to prepare an annual report and section 17BE(u) of the PGPA Rule sets out the mandatory content requirements.

Part A – Public Governance, Performance and Accountability Act 2013

Section	Subject	Location within Report	Page
Public Governance, Performance and Accountability Rule Sec 17BE			
s.17BE(a)	Details of the legislation establishing the body	Corporate Governance	32
s.17BE(b)(i)	A summary of the objects and functions of the entity as set out in legislation	Annual Performance Statement	24
s.17BE(b)(ii)	The purposes of the entity as included in the entity's corporate plan for the reporting period	Annual Performance Statement	24
s.17BE(c) – (f)	The annual report must provide details of: <ul style="list-style-type: none"> • The name and title of the responsible Minister of NAIF • Any directions given by the responsible Minister • Any policy orders that applied to NAIF; and • Details of any non-compliance with the above. 	Corporate Governance <ul style="list-style-type: none"> • Accountability • Ministerial Directions • Not applicable • Not applicable 	32 34
s.17BE(g)	The annual report must include NAIF's Annual Performance Statements.	Annual Performance Statement	24
s.17BE(h) – (i)	The annual report must detail any significant issues reported to the Minister.	Corporate Governance <ul style="list-style-type: none"> • Legislative Reporting 	34
s.17BE(j)	The annual report must detail particulars of the Board.	Board <ul style="list-style-type: none"> • Board Profiles and Photos 	38
s.17BE(k) – (l)	The annual report must detail particulars of NAIF's organisational structure and outline the location of the NAIF's major activities or facilities. Statistics on NAIF's employees including the following: <ul style="list-style-type: none"> • Full-time employees; • Part-time employees; • Gender; • Staff location. 	People <ul style="list-style-type: none"> • Organisational structure and location • Workforce demographics 	47 48
s.17BE(m)	The annual report must outline the main corporate governance practices of NAIF.	Corporate Governance	32
s.17BE(q) – (s)	The annual report must detail any judicial and administrative decisions or reviews or reports having a significant effect on NAIF.	Corporate Governance <ul style="list-style-type: none"> • Legislative Reporting 	34

s.17BE(t)	The annual report must detail any indemnity applied during the financial year.	Corporate Governance ▪ Legislative Reporting	34
s. 17BE(taa)	The following information about NAIF's audit committee (BARC):		
	a. Reference to the BARC charter;	Corporate Governance	33
	b. Name of each member of the BARC;	Board	43
	c. Qualifications of each member of the BARC	Board	38
	d. Information about each member's attendance at BARC meetings; and	Board	43
	e. Remuneration of each member of the BARC.	People	54
s.17BE(ta)	Information about executive remuneration	People	50-55

Part B – Other legislation

Section	Subject	Location within Report	Page
Northern Australia Infrastructure Facility Act 2016			
s. 42	NAIF's annual report must include:	Corporate Governance ▪ Legislative Reporting	34
	a. Particulars of any changes to the Investment Mandate during the period and their impact on the operations of the Facility;		34
	b. A summary of the proposal notices given by the Facility to the Minister during the period;		35
	c. A summary of any rejection notices given by the Minister during the period and the Minister's reasons for giving the notices;		35
	d. For financial assistance provided by the Facility during the period, a summary of:		36
	i. the amounts of financial assistance and kinds of Northern Australia economic infrastructure concerned; and		
	ii. the kinds of loan contracts used, and their impact features;		
	iii. the risks and returns to the Commonwealth.		
	e. A summary of any adjustments or concessions made by the Facility during the period in relation to the Northern Australia economic infrastructure projects that have not progressed as planned.		36
Environment Protection and Biodiversity Conservation Act 1999			
s.516A (3)(6)	Ecologically sustainable development and environmental performance	Corporate Governance ▪ Environmental Reporting	37
Work Health and Safety Act 2011			
Sch2, Pt 4, Clause 4(2)	Work health and safety initiatives, outcomes, statistics and investigations	People ▪ Work, Health and Safety	49

Abbreviations and Acronyms

BARC	Board Audit and Risk Committee
CEO	Chief Executive Officer
DISER	Department of Industry, Science, Energy and Resources
DITRDC	Department of Infrastructure, Transport, Regional Development and Communications
EMG	Executive Management Group
ESD	Ecologically Sustainable Development
FC	Financial Close
FTE	Full Time Equivalent
FY	Financial Year
IES	Indigenous Engagement Strategy
Investment Mandate	Northern Australia Infrastructure Facility Investment Mandate Direction 2018
KER	Key Enterprise Risks
KMP	Key Management Personnel
KPI	Key Performance Indicator
MFA	Master Facility Agreement
NAIF Act	Northern Australia Infrastructure Facility Act 2016
PBS	Portfolio Budget Statement
PGPA Act	Public Governance, Performance and Accountability Act 2013
PRemCo	People & Remuneration Committee
RAS	Risk Appetite Statement
RDA	Regional Development Australia
RMAC	Risk Management and Compliance
SLA	Service Level Agreement
STI	Short Term Incentive
WHS Act	Work Health and Safety Act 2011
WHS	Work, Health and Safety





Australian Government

NAIF

Northern Australia Infrastructure Facility

Northern Australia Infrastructure Facility

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This report is available electronically at:

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