



Australian Government

NAIF

Northern Australia Infrastructure Facility

Northern Australia Infrastructure Facility
2021 — 2022

Annual Report



Investing for impact

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

The Northern Australia Infrastructure Facility (NAIF) is a corporate Commonwealth entity financing projects and businesses in the Northern Territory, Queensland and Western Australia.

NAIF plays a key role in growing northern Australia with financing to projects driving public benefit, economic and population growth and Indigenous outcomes.

Since inception NAIF has approved \$3.5 billion in financing to support projects that are forecast to generate more than \$27 billion in economic impact and support more than 14,000 jobs.

This financial years Investment Decisions are forecast to generate \$12.7 billion of public benefit to the northern Australia economy which is a multiplier of 16.9 for every NAIF loan dollar committed. The Investment Decisions are forecast to support 4,777 jobs in either the construction or operational phase which will contribute to economic and population growth in the regions of those projects.

Acknowledgment of Country

NAIF acknowledges the Traditional Owners of Country throughout Australia and their continuing connection to land, sea and community. We pay our respect to Elders past and present.

Our stakeholders who identify as Aboriginal and/or Torres Strait Islander people vary in the terms they prefer to identify their cultural heritage. These include Indigenous, Aboriginal/Torres Strait Islander, First Nations, First Australians or their cultural/language group – ranging from stakeholders including Prescribed Bodies Corporate, Land Councils, government agencies, and non-government organisations.

When referring to First Nations People and Aboriginal and Torres Strait Islander peoples in this Annual Report, the term Indigenous or Indigenous Australians is used. This is not intended to cause any disrespect.

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Transforming the north

Working with partners to create vibrant communities, grow northern Australia and help the region prosper

NAIF’s contribution to the Nation is reflected in the public benefit value generated by NAIF funded projects. This includes an analysis of the economic impact, employment opportunities, regional income and business for local suppliers. In addition, NAIF works with proponents to develop bespoke Indigenous engagement strategies tailored for the Indigenous groups of the area of proposed projects.

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

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

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

NAIF finances (or facilitates the development of) infrastructure projects including assets that facilitate the establishment or enhancement of business activity, or increase economic activity in a region.

We finance infrastructure projects such as physical structures, assets (including moveable assets) or facilities which underpin, facilitate, or are associated with:

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

We are a corporate Commonwealth entity with an independent Board that is responsible for managing our affairs. This includes determining our strategy, defining risk appetite and monitoring performance.

We are part of the Department of Infrastructure, Transport, Regional Development, Communications and the Arts portfolio of agencies.

Our responsible Ministers are the Hon Madeleine King, MP, Minister for Resources and Northern Australia and Senator the Hon Katy Gallagher, Minister for Finance.

NAIF Investment Journey

NAIF’s investment journey follows an infrastructure project lifecycle as illustrated below



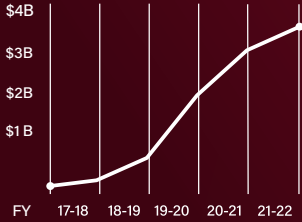


Image: James Cook University student accommodation (Townsville).

Performance Summary since inception

NAIF Investment Decisions (by value)

* as at June 2022



\$3.5B

Total cumulative NAIF investment

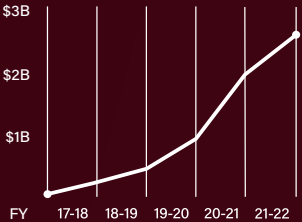
\$752M

NAIF FY21-22 investment

Contractual close (by value)

* as at June 2022

Contractual close is the key point of economic enablement for NAIF's transactions.



25

Total number projects contractually closed

\$2.5B

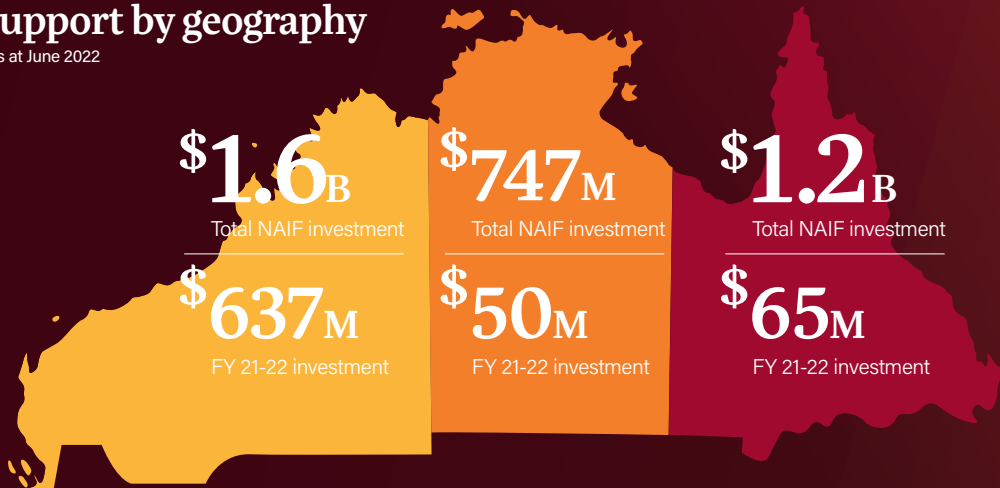
Total value projects contractually closed

5

Five projects contractually closed in FY21-22

Support by geography

* as at June 2022



Economic impact

14,000+¹

Total Forecast Jobs



Public benefit forecast from NAIF supported projects

≈ **\$7.50**

Forecast public benefit for every \$1.00 of finance by NAIF



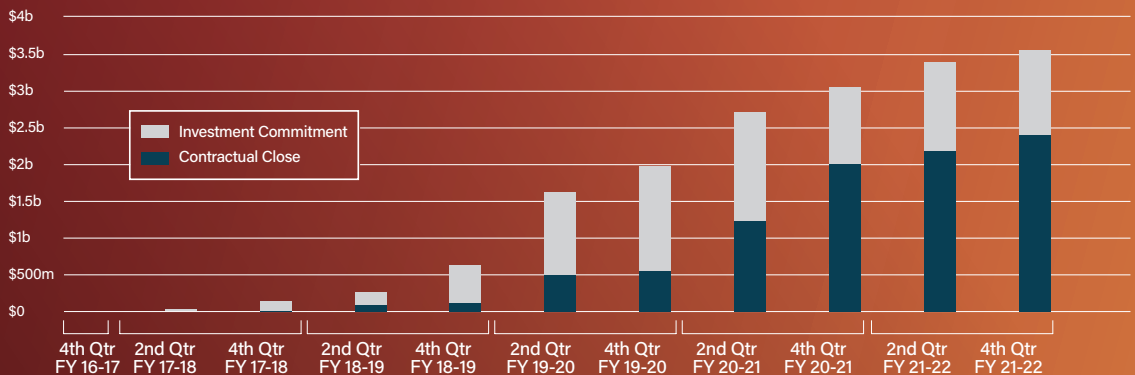
Support by sector

Total Cumulative

■ Agriculture & Water	\$131 million
■ Energy	\$737 million
■ Resources	\$1.6 billion
■ Transport	\$538 million
■ Social Infrastructure	\$437 million
■ Financing Partnerships	\$50 million



NAIF cumulative progress ^(6 monthly)



¹ In FY21-22 NAIF committed financing to two critical elements of the Perdaman Urea Project (the Project) - the forecast jobs and economic benefit of the Project are included in FY21-22 numbers. Post year-end the NAIF Board made a further commitment to this transformational award winning project. The public benefit and jobs numbers in this report reflect this additional commitment to the Project.

Investment Decisions

UP TO **\$300m**
Darwin Shiplift
DARWIN

UP TO **\$32m**
Kimberley Cotton Gin
KUNUNURRA, KIMBERLEY REGION

UP TO **\$160m**
Thunderbird Mineral Sands Project
WEST KIMBERLEY

UP TO **\$95m**
Burrup Seawater Pipeline Extension
PILBARA REGION

UP TO **\$160m**
Expansion of Port of Dampier
PILBARA REGION

INCREASE BY **\$10m** (LOAN UP TO \$74M)
Kalium Lakes Sulphate Of Potash
BEYONDIE, PILBARA REGION

INCREASE BY **\$40m** (LOAN UP TO \$490M)
Mardie Salt and Potash Project
PILBARA REGION

UP TO **\$140m**
Hastings Yangibana Rare Earths
GASCOYNE REGION

UP TO **\$140m**
Lake Wells Sulphate of Potash
NEAR WILUNA, WA

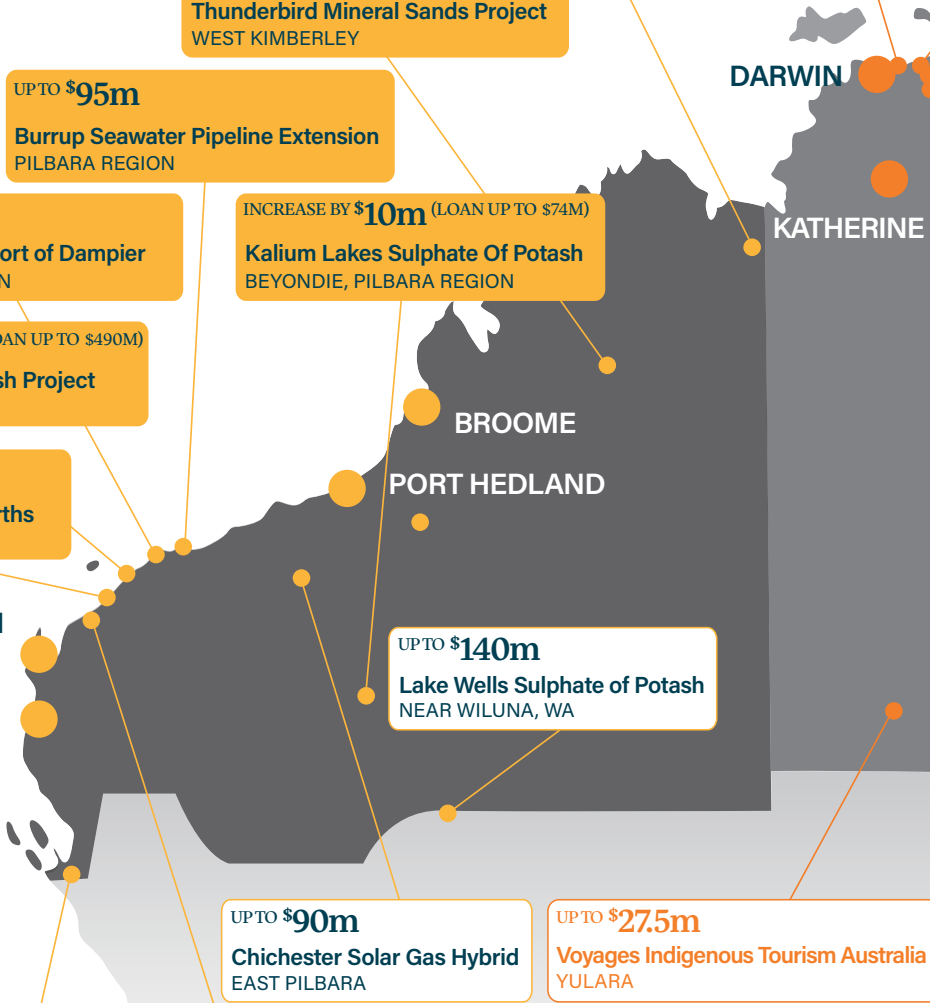
EXMOUTH
CARNARVON

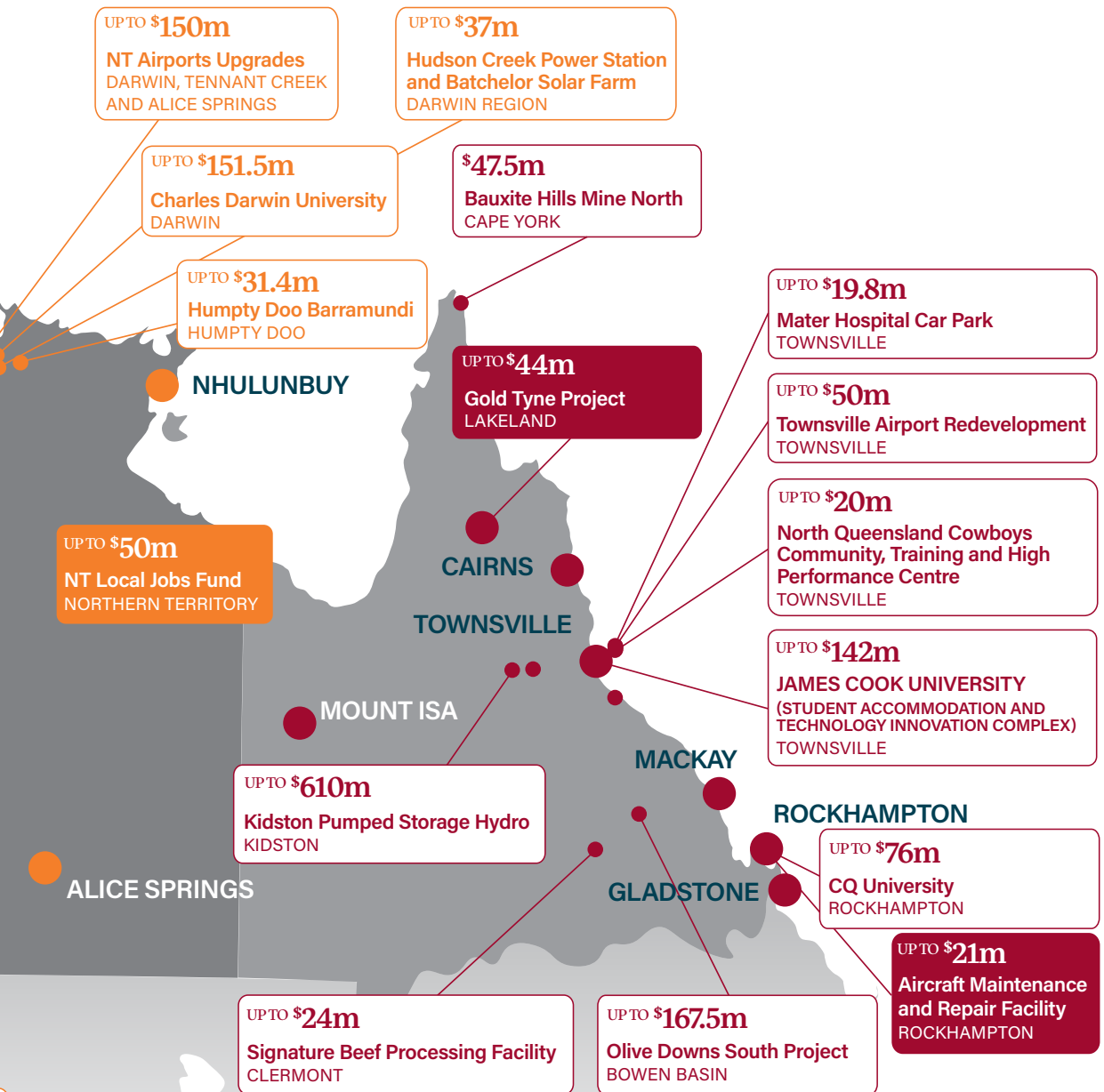
UP TO **\$90m**
Chichester Solar Gas Hybrid
EAST PILBARA

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

UP TO **\$16.8m**
Onslow Marine Support Base
ONSLow

UP TO **\$150m**
Coburn Heavy Mineral Sands Project
GASCOYNE REGION





Summary of NAIF Investments

- WA Investment Decisions FY2021-22
- WA Existing Financings
- NT Investment Decisions FY2021-22
- NT Existing Financings
- QLD Investment Decisions FY2021-22
- QLD Existing Financings

NAIF Investment 2021–2022

NAIF continues to partner with proponents to support a range of ambitious and transformational projects that will grow our economy in the decades to come.

We proudly invest in a wide range of projects that facilitate the establishment or enhancement of business activity or increase economic activity in a region. Eligible projects bring new capacity online either through the construction of infrastructure or by materially enhancing existing infrastructure.

Many projects supported by NAIF are large and complex and require detailed assessment prior to NAIF committing any financial support.

In 2021-22 we approved \$752 million in financing to support projects with a combined transaction value of \$1.6 billion. These projects are forecast to contribute over \$12 billion to the northern Australia economy.











Projects supported by NAIF during the year reflect the broad sectors of northern Australian economy, ranging from minerals and resources, to agriculture and regional aviation.

NAIF has approved \$3.5 billion in financing to support projects that are forecast to generate around \$27 billion in economic impact and support more than 13,500 jobs. A total of \$2.5 billion of NAIF financing has reached contractual close. Contractual close is the critical point of economic enablement where proponents have the confidence to start design and construction, driving employment and economic growth.



Image: Beyondie Sulphate of Potash Project.

Summary of Investment Decisions 2021 – 22²

<p>NORTHERN TERRITORY</p>  <h2>NT Local Jobs Fund</h2> <p>Small to medium project loans</p> <table border="1"> <thead> <tr> <th>NAIF Loan Up To</th> <th>Forecast Economic Impact</th> <th>Jobs Forecast</th> </tr> </thead> <tbody> <tr> <td>\$50M</td> <td>\$110M</td> <td>532</td> </tr> </tbody> </table>	NAIF Loan Up To	Forecast Economic Impact	Jobs Forecast	\$50M	\$110M	532	<p>QUEENSLAND</p>  <h2>Gold Tyne Project</h2> <p>Expansion and diversification of the agriculture sector</p> <table border="1"> <thead> <tr> <th>NAIF Loan Up To</th> <th>Forecast Economic Impact</th> <th>Jobs Forecast</th> </tr> </thead> <tbody> <tr> <td>\$44M</td> <td>\$181M</td> <td>447</td> </tr> </tbody> </table>	NAIF Loan Up To	Forecast Economic Impact	Jobs Forecast	\$44M	\$181M	447
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\$44M	\$181M	447											
<p>PILBARA REGION</p>  <h2>Mardie Salt and Potash</h2> <p>Salt and sulphate of potash production facilities, and a port. Additional Financing Mechanism of</p> <p>\$40M</p>	<p>ROCKHAMPTON</p>  <h2>Alliance Airlines</h2> <p>Aircraft maintenance and repair facility</p> <table border="1"> <thead> <tr> <th>NAIF Loan Up To</th> <th>Forecast Economic Impact</th> <th>Jobs Forecast</th> </tr> </thead> <tbody> <tr> <td>\$21M</td> <td>\$342M</td> <td>198</td> </tr> </tbody> </table>	NAIF Loan Up To	Forecast Economic Impact	Jobs Forecast	\$21M	\$342M	198						
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<p>KIMBERLEY REGION</p>  <h2>Kimberley Cotton Gin</h2> <p>Multi-user cotton gin</p> <table border="1"> <thead> <tr> <th>NAIF Loan Up To</th> <th>Forecast Economic Impact</th> <th>Jobs Forecast</th> </tr> </thead> <tbody> <tr> <td>\$32M</td> <td>\$386M</td> <td>51</td> </tr> </tbody> </table>	NAIF Loan Up To	Forecast Economic Impact	Jobs Forecast	\$32M	\$386M	51	<p>PILBARA REGION</p>  <h2>Kalium Lakes</h2> <p>Sulphate of Potash project; liquidity facility to support project restructure.</p> <table border="1"> <thead> <tr> <th>NAIF Loan Up To</th> <th>Forecast Economic Impact</th> <th>Jobs Forecast</th> </tr> </thead> <tbody> <tr> <td>\$10M</td> <td>n/a</td> <td>n/a</td> </tr> </tbody> </table>	NAIF Loan Up To	Forecast Economic Impact	Jobs Forecast	\$10M	n/a	n/a
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<p>PILBARA REGION</p>  <h2>Port of Dampier³ (Expansion)</h2> <p>New bulk export facility</p> <table border="1"> <thead> <tr> <th>NAIF Loan Up To</th> <th>Forecast Economic Impact</th> <th>Jobs Forecast</th> </tr> </thead> <tbody> <tr> <td>\$160M</td> <td>\$5.4B</td> <td>1562</td> </tr> </tbody> </table>	NAIF Loan Up To	Forecast Economic Impact	Jobs Forecast	\$160M	\$5.4B	1562	<p>PILBARA REGION</p>  <h2>Burrup Scheme³ (Upgrade)</h2> <p>Seawater delivery and brine disposal scheme</p> <table border="1"> <thead> <tr> <th>NAIF Loan Up To</th> <th>Forecast Economic Impact</th> <th>Jobs Forecast</th> </tr> </thead> <tbody> <tr> <td>\$95M</td> <td>3.2B</td> <td>928</td> </tr> </tbody> </table>	NAIF Loan Up To	Forecast Economic Impact	Jobs Forecast	\$95M	3.2B	928
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<p>GASCOYNE REGION</p>  <h2>Yangibana Rare Earths</h2> <p>Development of a rare earths mining project</p> <table border="1"> <thead> <tr> <th>NAIF Loan Up To</th> <th>Forecast Economic Impact</th> <th>Jobs Forecast</th> </tr> </thead> <tbody> <tr> <td>\$140M</td> <td>\$1.3B</td> <td>750</td> </tr> </tbody> </table>	NAIF Loan Up To	Forecast Economic Impact	Jobs Forecast	\$140M	\$1.3B	750	<p>KIMBERLEY REGION (Upgrade)</p>  <h2>Thunderbird Mineral Sands</h2> <p>Ilmenite and zircon mining project</p> <table border="1"> <thead> <tr> <th>NAIF Loan Up To</th> <th>Forecast Economic Impact</th> <th>Jobs Forecast</th> </tr> </thead> <tbody> <tr> <td>\$160M</td> <td>1.9B</td> <td>570</td> </tr> </tbody> </table>	NAIF Loan Up To	Forecast Economic Impact	Jobs Forecast	\$160M	1.9B	570
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² 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/>

³ In FY21-22 NAIF committed financing to two critical elements of the Perdaman Urea Project (the Project) - the forecast jobs and economic benefit of the Project are included in FY21-22 numbers. Post year-end the NAIF Board made a further commitment to this transformational award winning project. The public benefit and jobs numbers in this report reflect this additional commitment to the Project.

TRACEY HAYES

From the Chair

I am pleased to commend the 2021-22 Annual Report of NAIF. The period to 30 June 2022, our sixth full year of operation, has been successful.



Welcome to the 2021-22 Annual Report for NAIF.

This was a year of noteworthy accomplishment as we continue to fulfill our mission of contributing to the nation by proudly investing in the growth of northern Australia.

NAIF has to-date supported a portfolio of ambitious and transformational projects that will grow our economy in the decades to come. They range from large-scale resource and energy developments, to social infrastructure, transport related projects, agriculture and aquaculture.

Through our investing activities, we focus on projects that generate real and sustained population growth across northern Australia. Thus, leading to the creation of strong, vibrant and sustainable local communities. Away from the numbers, the true impact of NAIF's investments will mean a more productive economy and a better society for decades to come. Our investment will help unlock the region's undoubted potential.

In 2021-22 NAIF approved \$752 million in financing to support projects with a combined transaction value of \$1.6 billion. Over the course of their lifespan, these projects are forecast to contribute \$12.7 billion to the northern Australian economy which equates to \$16.90 of forecast public benefit for every \$1.00 of finance by NAIF.

NAIF has now committed \$3.5 billion to projects and achieved \$2.5 billion of closed financings which is the key point of economic enablement for NAIF's transactions. These projects are forecast to support more than 14,000 jobs and provide around \$27 billion in economic benefit to the region. Additionally, our early support for projects has helped unlock additional

financial investment which would only have happened due to NAIF's initial involvement.

An important point to highlight is that if the early support from NAIF assists a project in encouraging private sector finance such that no NAIF finance is required, this is regarded as a win. This is because the project has gone ahead and the opportunity for northern Australia will be achieved, without the need for NAIF funds.

During the year NAIF continued implementation of the reforms approved by the Australian Parliament in 2021 which will result in a broadening of NAIF's reach to perform our key role in growing the north on behalf of the Australian Government.

We believe we now have the right mix of financing products, and we have partners lined up for new investments and small loans in the year ahead. NAIF is better placed than ever to work with project owners and investors to bring investment to northern Australia.

In June 2022, we welcomed Craig Doyle as NAIF's new Chief Executive Officer. Craig has extensive executive, operational, and project funding experience, having served as CEO of Gladstone Ports Corporation, as Executive General Manager of Australia's largest sugar producer, Wilmar and as former CEO of Mackay Regional Council for nearly five years.

We cannot play the role we do in investing in the growth of the north in isolation. I am incredibly grateful for the time and support of those across industry, Canberra, the various jurisdictions and broader stakeholders who take the time to talk to us and

It is a privilege to lead NAIF at this pivotal time and I look forward to continuing to work with colleagues and stakeholders to grow northern Australia. I am confident we are up to the challenge.

ensure we are focused on seeking answers to the most important infrastructure issues.

I thank the Minister for Northern Australia, Hon Madeleine King MP, for her ongoing support of NAIF and our mission, and similarly thank her predecessor, the Hon David Littleproud MP and the former Special Envoy for Northern Australia, Senator Susan McDonald. I thank my fellow Board members for their contribution during the year and similarly pay tribute to the dedicated NAIF team for their work over the past 12 months.

It is a privilege to lead NAIF at this pivotal time and I look forward to continuing to work with colleagues and stakeholders to grow northern Australia. I am confident we are up to the challenge.



Tracey Hayes
CHAIR

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).



Image: NAIF Chair Tracey Hayes at Humpty Doo Barramundi.

CRAIG DOYLE

From the CEO

One of the great things about NAIF is that we can 'play' across many sectors and in many industries. We are as comfortable working with proponents in energy and resources as we are in social infrastructure or agriculture.



Our expertise enables us to offer innovative financing solutions otherwise not commercially available.

In providing financing to support the development of a project, we utilise several financing tools and we can accept a higher risk than commercial lenders noting that projects in northern Australia are susceptible to unique risk factors including distance remoteness, climate and connectivity.

These are all reasons why I was excited to start as Chief Executive Officer in June 2022 and help lead the organisation towards our mission of becoming 'the go to' organisation for the development of northern Australia.

I recognise and acknowledge the work of the NAIF team and management for their work over the year to 30 June 2022.

In addition to approving \$752 million in financing and supporting NAIF's existing portfolio, during the last 12 months the organisation worked to implement an exciting set of reforms that will help support our financing of transformational opportunities in the northern Australia region in the years ahead.

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

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



NAIF CEO Craig Doyle with the NAIF Board members.

All NAIF projects can be defined as transformational to northern Australia. This may be to an industry or sector, for a region of northern Australia, or for a local community. Our investing can accelerate participation in the development of new industry sectors, production processes and techniques, and technologies. This will generate an expansion of employment and training opportunities across northern Australia and contribute to the creation of strong, vibrant and sustainable communities.

Alongside our investments and support for proponents, a key activity is to promote Indigenous opportunities and outcomes. We will continue to achieve the best outcomes possible through our Indigenous Engagement Strategy (IES) criteria.

To date, through the mandated IES and NAIF financed projects, we have supported:

- over 30 Indigenous businesses,
- a spend of over \$10 million towards Indigenous supply chains.

At a partnership level, NAIF is committed to exploring partnerships to support Indigenous led projects. NAIF hosts the regular joint meetings with Indigenous Business Australia, Indigenous Land and Sea Corp, the National Indigenous Australians Agency and others, to share, cross refer and collaborate potential projects that may be relevant to our partners.

We see an increase in momentum from governments, industries and businesses wanting to achieve positive outcomes across Australia and NAIF is excited to play a part in supporting this through advocacy and finance.

Looking ahead, I am keen to ensure that under my leadership, NAIF is as streamlined and as efficient as we can be so that we can deliver the maximum positive difference for the North.

I look forward to working closely with the Minister for Resources and for Northern Australia, the Department for Infrastructure, Transport, Regional Development, Communications and the Arts, the NAIF Board and management, jurisdictional Ministers and government colleagues and broader stakeholders to continue NAIF's progression and further help develop the north.

Craig Doyle
CHIEF EXECUTIVE OFFICER

Indigenous Outcomes

Building our cultural competency

Across Australia there are over 250 Indigenous Nations each with their own customs, experiences and aspirations. The NAIF footprint is home to two distinct Indigenous cultures of Aboriginal and Torres Strait Islanders with many communities continuing to practice ancient traditions and communicating in language or kriol.

The Indigenous population across northern Australia is consistently growing. Indigenous people are essential to the future growth of northern Australia with many parts of northern Australia subject to Indigenous interests, such as the *Native Title Act 1993* and the *NT Aboriginal Land Rights Act*.

NAIF published its Reflect Reconciliation Action Plan (RAP) in early 2022, marking the start of our reconciliation journey with initiatives we will target, measure, review, and refine. Employees from diverse office locations, business areas, and positions developed the plan with the support of Reconciliation Australia. The group consults with Indigenous employees when necessary to ensure initiatives are culturally appropriate.

The RAP enables NAIF to take meaningful action to advance reconciliation and identify genuine opportunities for action. Together with our Indigenous Outcomes team,

we created “No Wrong Questions” sessions where staff can ask questions in a positive and supportive environment. These sessions set a safe and respectful atmosphere for our team to learn more about our journey.

As part of our ongoing effort to better educate ourselves as well as empower the community, we were fortunate to have Barry Hunter, a descendant of the Djabugay-speaking people of the Cairns Hinterland, join our team to discuss the importance of caring for country, including his work with the Djabugay Rangers and the Aboriginal Carbon Foundation.

Another opportunity identified was through a Cairns organisation, Deadly Inspiring Youth Doing Good (DIYDG) who are a youth-led, non-for-profit Indigenous corporation that works with youth by inspiring, equipping and empowering the next generation to take action to change their world. NAIF donated computer equipment so they can complete training and studies more effectively. In addition to donating computers to DIYDG for their projects and training, NAIF staff attended the Uluru Statement of the Heart Advocacy Training delivered by DIYDG and circulated internally to help NAIF understand the campaign.

NAIF's inaugural RAP can be viewed at <https://naif.gov.au/wp-content/uploads/2022/03/NAIF-RAP.pdf>

The artwork for the Northern Australia Infrastructure Facility's Reflect Reconciliation Action Plan was created by Bernard Lee Singleton. Bernard is an accomplished craftsman, curator and designer, born and living in Cairns. He grew up in Coen, Cape York.



Driving Indigenous Outcomes through purposeful Engagement Strategies

To achieve genuine outcomes, NAIF builds strategic partnerships to align and advocate for Indigenous economic development in northern Australia.

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

“The IES allowed Mater to accelerate work and focus on Indigenous engagement.”

Josie Gabrielli, Mater Hospital Townsville

Project progress

An example of positive IES outcomes is the **Kidston Pumped Storage Hydro** (K2-Hydro) Project where Genex Power (Genex) have developed relationships with the Ewaimain Traditional Owners and the Australian Training Works (ATW) who are a fully Indigenous owned group

training organisation. The success from these relationships is illustrated through the Genex sponsored, Talaroo Hot Springs Project, an eco-tourism business that showcases local Ewaimain culture and also Indigenous employment pathways at the K2-Hydro Project with ATW.

As part of their IES, **Mater Hospital Townsville** has created momentum in supporting a culturally safe environment so Indigenous patients who are local and from remote areas are at ease. To help achieve this Mater has been delivering on strategies to build an Indigenous workforce in the health sector including diplomas and scholarships and working with local organisations such as Cowboys House to provide pathways for Indigenous students interested in pursuing careers in primary health. During the construction of the car park, Mater was able to more than triple their Indigenous employment target through their Head Contractor, Paynters, with a combination of apprentices, trainees and tradespeople.

Another example is the **Airport Development Group** in building partnerships with the NT Indigenous Business Network (NTIBN), continuing to support local Indigenous businesses and strengthening their relationships with local Larrakia organisations at the Darwin International Airport. Organisations such as NTIBN are important to NAIF as they can provide linkages between NAIF proponents and Indigenous businesses across the Territory.

In June 2022, NAIF facilitated the Indigenous Engagement Strategy Roundtable in Townsville which brought together NAIF proponents, head contractors and key stakeholders for a day of open discussion and networking. NAIF facilitated a safe space key themes highlighted were the importance of early planning with Traditional Owners and stakeholders for IES delivery will contribute to the success of the project; appropriate capacity building and resourcing will help achieve genuine outcomes; and the approach of the Head Contractor is critical in the construction phase.

“Early engagement is critical and community and industry engagement needs to run in parallel”

Tony Martens, Australian Training Works

Local representatives from the National Indigenous Australians Agency (NIAA) and the Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships (DSDSATSIP) gave insight to the resources and support they can provide to assist IES delivery. The day concluded with a networking lunch with local Indigenous businesses and community leaders.



Image: NAIF'S Indigenous Engagement Strategy Roundtable.



Queensland Investing for impact in Queensland

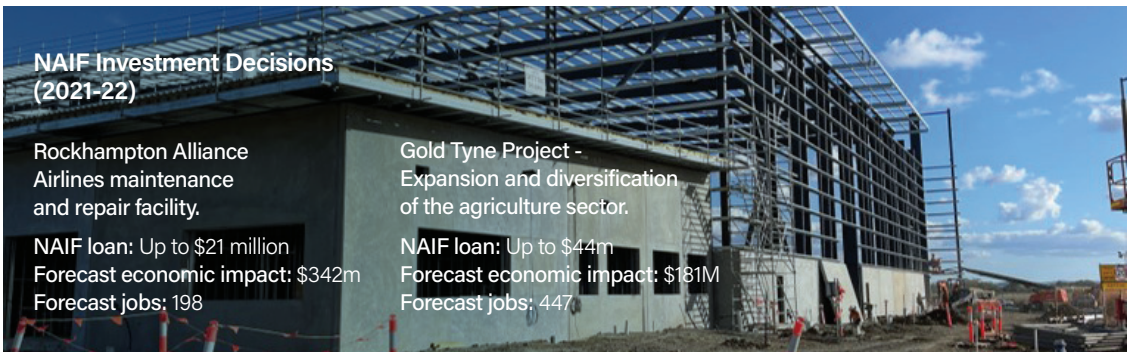
NAIF plays an important role in the development of infrastructure across key sectors of the Queensland economy.

Since inception, NAIF has approved funding worth \$1.2 billion to northern Queensland projects, supporting more than 4,800 forecast jobs. In many cases, NAIF's early support for projects has helped proponents unlock and secure additional or alternative investment, resulting in more economic benefits for the region.

Our portfolio of supported projects in Queensland is diverse and ranges from aerospace, resources, renewables and social infrastructure and agriculture. Construction activity commenced or continued at a number of these projects. Proponents draw on the finances provided by NAIF as required by their project plans and timetables.

One example of NAIF's support has been that of Alliance Airlines' plans to build a maintenance facility at Rockhampton Airport (see case study).

During the year we also worked with the Queensland Government to bring two financings to contractual close. Contractual close is a key measurement of success for NAIF as this is when proponents can commence design and construction activities and when job creation starts. These projects are expected to partially or fully draw on NAIF's funds over the coming year.



NAIF Investment Decisions (2021-22)

Rockhampton Alliance Airlines maintenance and repair facility.

NAIF loan: Up to \$21 million
Forecast economic impact: \$342m
Forecast jobs: 198

Gold Tyne Project - Expansion and diversification of the agriculture sector.

NAIF loan: Up to \$44m
Forecast economic impact: \$181M
Forecast jobs: 447

Alliance Aircraft and Maintenance facility: Rockhampton Airport, Rockhampton, Queensland.

Alliance is the largest contract aviator in Australia which services critical sectors in northern Australia and employees locally. NAIF's financing towards an aircraft and maintenance facility will enable Alliance to relocate the heavy base maintenance of its entire aircraft fleet, which since 2015 has been serviced predominantly overseas. The facility is also expected to help diversify Central Queensland's employment base and bring engineering and skilled aviation jobs to the region. The project is forecast to create at least 100 jobs during construction, and 98 jobs when fully operational. The forecast value of the economic impact to gross regional product (GRP) in the Rockhampton region of the construction and operations phases is estimated to be \$342m over 30 years.



Project milestones: Queensland



Image: Hinterland Aviation: benefiting from the Kidston Pumped Storage Hydro Project.



Image: Football Queensland



Image: Mater Private Hospital's new car park.

Construction is well under way at the 250MW/2000MWh **Kidston Pumped Storage Hydro Project** owned by Genex Power Limited.

The Kidston project is the first pumped hydro project to be built in Australia in 40 years and will generate and store power to supplement high demand periods in north Queensland.

The \$777 million project has been underpinned by a \$610 million loan from the NAIF.

Our support of Genex's project is enabling contracts, employment and an economic boost in north Queensland, with K2-Hydro creating more than 530 jobs and hundreds of millions of dollars into the economy.

One of the companies to benefit from the project is Hinterland Aviation that won a contract with Genex to fly workers to the project site at Kidston several times a week from Cairns and Townsville.

Chair of the NAIF Board, Tracey Hayes, visited Hinterland Aviation headquarters in Cairns to meet the local team and find out how the local project was generating jobs and economic activity.

More than 120 junior soccer players are walking in the footsteps of some of Australia's elite athletes as they train at the North Queensland Cowboys' world-class training facility in Townsville.

The Hutchinson Builders Centre (**Cowboys community, training and high performance centre**) is not only home to the North Queensland Toyota Cowboys, but is now the training ground for Football Queensland's junior talent support and skills acquisition program in Townsville.

The centre was built in early 2021, with support of a \$20 million loan from NAIF.

In April 2022, Townsville hosted the Under 16 National Talent Identification Camp from the Cowboys' training and high performance centre, with Football Queensland saying the centre has been a catalyst for attracting important events to the region.

As part of the **Mater Private Hospital** Townsville Master Plan, a new 400-space, multistorey car park is being constructed at the Pimlico campus. Construction of the car park was completed in 2022.

The \$19.8m project is supported by a loan from NAIF and was developed on the hospital's Pimlico campus at the corner of Diprose and Lothair Street.

The car park will provide onsite, dedicated and undercover parking spaces for patients, staff and visitors, making access to regional healthcare more inclusive and accessible. It will also incorporate Indigenous artwork, with a bespoke digital artwork installation to be featured on the external facade.

The car park created 12 full time jobs during construction and opportunities for up to 40 apprentices and more than 700 sub-contractors over the life of the project.



Northern Territory Investing for impact in the NT

NAIF has committed \$747 million in financing to the Top End, supporting more than 3,600 forecast jobs.

Building on our earlier investments in the Territory, this year NAIF broadened the reach of our financing by agreeing to provide \$50 million to grow small and medium businesses in the Territory (see below). The money will give eligible businesses in the NT access to

loans of up to \$5m, boosting local jobs and accelerating infrastructure and business growth.

Across NAIF’s existing portfolio in the Territory, proponents either continued construction or commenced operations (see next page).



NAIF Investment Decisions (2021-22)

Northern Territory - Northern Territory Local Jobs Fund

NAIF loan: Up to \$50 million
Forecast economic impact: \$110m
Forecast jobs: 532

Image: Provided of Darwin cityscape.

Small and medium-sized businesses in the Northern Territory will be able to access loans of up to \$5 million through a partnership agreed this year between NAIF and the Northern Territory Government’s Local Jobs Fund. NAIF agreed to provide \$50 million to the Local Jobs Fund which will broaden the reach of NAIF’s financing and provide the Local Jobs Fund additional capital funding for businesses to deliver projects that significantly benefit the Top End in growing sectors like agribusiness, tourism, resources and manufacturing. The partnership is the first on-lending project that the NAIF has supported to further business growth in Northern Australia. Further details of the partnership including methods to apply for potential investment are expected to be announced in late 2022/early 2023.



Project milestones: Northern Territory



Image: Darwin Export Hub.



Image: CDU's new precinct in Darwin.

Exports of mangoes and pumpkins to international markets from the Northern Territory are set to increase as the NAIF supported cold storage and freight hub builds momentum. The **Airport Development Group's** state-of-the-art Darwin Export Hub has forged new air transport routes for Darwin and expanded export opportunities for the local seafood and agricultural industry. The Darwin Export Hub was used to transport 200 tonnes of mangoes and 200 tonnes of pumpkins in its first year of operation in 2021, with an increase expected in 2022.

The 6250 square metre export hub is located at Darwin International Airport and was built by Airport Development Group as part of a \$300 million expansion supported by a \$150 million loan from NAIF. The export accredited airside facility includes a vapour heat treatment plant, x-ray and security scanning capabilities, and cold storage to suit different temperature controlled settings needed to suit specific products for export and import. National export specialist Pak Fresh Handling manages the export hub, which officially opened in September 2021 with co-tenants Wyuna Coldstores and GR Wills.

Construction of **Charles Darwin University's (CDU)** new \$250 million education and community precinct is mid construction. Supported with \$151.5 million from NAIF, the project in Darwin's CBD is the centrepiece of the Darwin City Deal and is a partnership between the Australian and Northern Territory governments and CDU. Territory company Halikos was awarded the contract for the construction and fit-out of the main building and the landscaping of the public areas. In partnership with the Larrakia Development Corporation (LDC), Halikos has provided Indigenous employment opportunities throughout the project.

Once complete in 2024, the precinct will house CDU's Asia Pacific College of Business and Law; disciplines of the College of Indigenous Futures, Education and the Arts; Information Technology; and the university's International College and Art Gallery. The new precinct will provide a modern city campus for CDU, a new purpose-built home for the Northern Territory Library, vibrant community spaces and more than 230 underground car parking spaces.

The state-of-the-art design will transform the Darwin CBD and create long term education opportunities for all Australians.



Western Australia Investing for impact in WA

This year NAIF supported Western Australian projects with close to \$637 million worth of investment.

NAIF funded projects are forecast to bring more than \$16 billion in economic impact to the region and support more than 5,700 jobs in the years ahead. NAIF has approved almost \$1.6 billion to projects in Western Australia.

The bulk of NAIF’s investment this year was to support infrastructure across a range of commodity sectors

including mineral sands and rare earths. Our role in the resources sector has often seen us act as an early financier for project partners, giving companies the time and confidence to lock in any required remaining project debt and equity.



Image: Kimberley Cotton Company.

NAIF Investment Decisions (2021/22)

Pilbara region Dampier Port expansion.
NAIF loan: Up to \$160 million

Burrup scheme upgrade
NAIF loan: Up to \$95 million

Kalium Lakes Beyondie project
Additional facility: \$10 million

Gascoyne Region Yangibana Rare Earths project
NAIF loan: Up to \$140 million

Kimberley region Kimberley Cotton Gin

Mardie Salt and Potash Project
Salt and sulphate of potash production facilities, and a port.
Additional Financing Mechanism: \$40million

NAIF’s latest investment in the agricultural sector came this year through a \$32 million loan to **Kimberley Cotton Company** that will help construct a cotton gin facility, located in Kununurra, within the east Kimberley region of Western Australia. The Ord River District Cooperative, Kimberley Agricultural Investment and the Miriuwung Gajerrong Corporation are working collaboratively to build the gin which will establish a new cotton growing industry in the region. The cotton gin will establish a new cotton growing industry in the region and create 30 full time jobs during construction and 21 new jobs during operations. The development of the gin will also remove the need to transport unprocessed cotton interstate.



Western Australia

Investing for impact: Western Australia



Image: Artist impression c/o Perdaman.



Image: Yangibana Rare Earths



Image: Thunderbird Mineral Sands Project

NAIF committed \$255 million for critical infrastructure supporting the **Perdaman Urea Project** in Western Australia. The project, located 20 kilometres north-west of Karratha will convert Australian gas into approximately two million tonnes of urea per year.

The NAIF commitment is being delivered through two separate loans:

- \$160 million to the Pilbara Ports Authority for a new multi-user wharf and facilities at the Port of Dampier to facilitate exports; and
- \$95 million to the Western Australia Water Corporation for the expansion of the Burrup seawater supply and brine disposal scheme that will also service the operation of the Perdaman Urea Plant.

These loans are NAIF's first directly with the Western Australia State Government through two Government Trading Enterprises.

The Perdaman Urea Plant is considered transformational for Western Australia, having been awarded Major Project Status by both the Australian and Western Australian governments.

NAIF is supporting the **Yangibana Rare Earths** project which comprises a mine site located in the Gascoyne region of Western Australia and a hydrometallurgical plant located in Onslow, Western Australia.

The project is being developed by Hastings Technology Metals Limited.

Supported by \$140 million from NAIF, the Yangibana project will produce up to 15,000 tonnes a year of neodymium and praseodymium concentrate for the international market. These components are typically used in products ranging from electric vehicles, wind turbines and robotics.

Our support of the Yangibana project will help deliver on the Australian Government's agenda to support the critical minerals industry and further position Australia as a reliable supplier of speciality rare earth minerals. In addition, the project will support Australia's transition away from non-renewable energy sources.

In March 2022 NAIF made an Investment Decision to offer financial assistance of up to \$160 million to **Kimberley Mineral Sands** Pty Ltd (KMS) to support the development of the Thunderbird Mineral Sands Project in the Kimberley region of Western Australia.

KMS is a 50/50 joint venture between Sheffield Resources Limited and YGH Australia Investment Pty Ltd (Yansteel).

Thunderbird will generate a high-quality suite of mineral sands concentrate products suited to market requirements. These products include a zircon concentrate and a magnetic concentrate that contains a high quality ilmenite suitable smelting into chloride slag or for manufacturing titanium dioxide pigment.

We initially supported the project with an Investment Decision in 2018. Following a corporate transaction involving the proponent, a new investment decision to support the project by NAIF was made in March 2022.



Project milestones: Western Australia



Image: Chichester Hub Solar Farm.



Image: Coburn mineral sands project.

Consisting of more than 160,000 solar panels, the 60 MW Alinta Energy **Chichester Hub Solar Farm** in the Pilbara region has begun production for Fortescue Metals Group.

The project received a \$90 million loan from NAIF, along with other funding contributions from Australian Renewable Energy Agency (ARENA) and state and federal governments.

The solar farm has powered up to 100 per cent of daytime operations at Fortescue’s Christmas Creek and Cloudbreak mines, and will displace around 100 million litres of diesel every year. Supply will be backed up by battery storage and gas generation at Alinta Energy’s Newman Power Station.

The project also included the construction of approximately 60 kilometres of new transmission lines to link Fortescue’s Christmas Creek and Cloudbreak mines to the solar farm and Alinta Energy’s existing network infrastructure.

Alinta reports that a total of \$4.7 million worth of contracts were awarded to Indigenous owned enterprises during construction.

Construction has progressed at another of NAIF’s supported resource projects in Western Australia, the **Coburn mineral sands project**.

Supported with \$150 million from NAIF, the proponent Strandline Resources is developing a world-class minerals sands projects. Products from the development will ultimately be used in items like ceramic tiles, refractory, paint, titanium metal and welding rod applications.

The company reports that construction is now more than 75% complete, with production of heavy mineral concentrate expected to commence in late 2022.

In addition to providing equipment and other resources, the NAIF funding will also help fund the construction of a multi-user airstrip.

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.

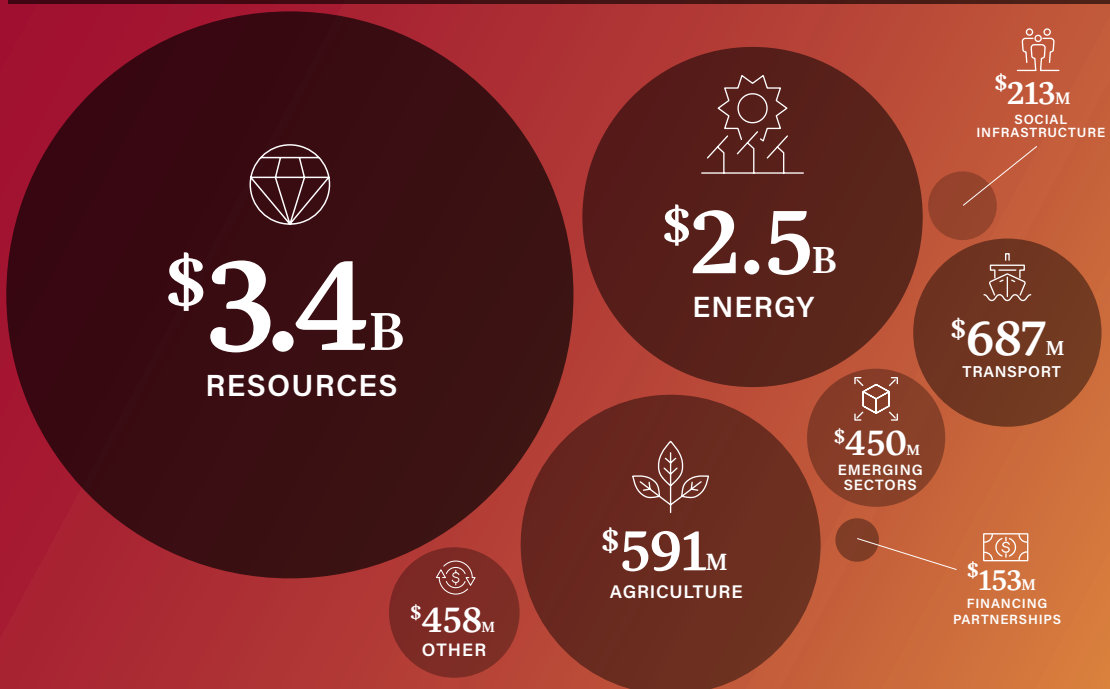


\$650m for cross jurisdictional projects



76 NAIF PIPELINE SPREAD ACROSS ALL SECTORS

-  25 RESOURCES – \$3.4 billion
-  14 ENERGY – \$2.5 billion
-  8 AGRICULTURE & WATER – \$591m
-  1 EMERGING SECTORS – \$450m
-  8 TRANSPORT – \$687m
-  4 FINANCING PARTNERSHIPS – \$153m
-  5 SOCIAL INFRASTRUCTURE – \$213m
-  OTHER INVESTMENT – \$458m



Annual Performance Statement

Introductory Statement

On behalf of the accountable authority, the Board of the Northern Australia Infrastructure Facility, I present the 2021-22 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

Purpose

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

Our purpose facilitates the achievement of outcomes as outlined in the FY21-22 Department of Industry, Science, Energy and Resources Portfolio Budget Statement page 321 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

NAIF has made significant progress over the 2021-22 financial year, with the Board making ten Investment Decisions to offer loans totalling \$752m, to support

projects with a total capital value of \$1.6bn. Over the course of their lifespan, these projects are forecast to contribute \$12.7 billion to the northern Australian economy, which is a multiplier of 16.9 for every NAIF loan dollar committed.

NAIF's transaction revenue over the financial year was \$22.9m, representing a 37% increase from FY20-21 and 182% of FY21-22 operating expenses.

The Growth in investment activity performance measure was not fully realised. While the Diversification measure was met, the targets for Dollar Value of Investment Decisions and Contractual Close fell short. Several projects expected to gain NAIF Board approval during the financial year, have been delayed due to material increase in construction costs, supply chain and logistic issues, in addition to a tight labour market. NAIF is supporting these Proponents, in assessing the impacts to their projects and potential for a viable project in the current environment.

In addition, the Stakeholder Engagement performance measure was only partially achieved. A Board meeting in each jurisdiction was not met due to COVID-19 restrictions. The scheduled meeting in Western Australia had to be postponed due to travel restrictions in that state, however all other targets were met.

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

Performance Summary

Source of Performance Criterion: NAIF Corporate Plan FY21-22, page 10-11. A summary of NAIF's performance outcomes is included in figure 1. NAIF met five of six performance measures.

Figure 1: NAIF Performance Summary for FY21-22

Performance Criterion	Measure	Outcome
1. PUBLIC BENEFIT	<i>Net public benefit for each NAIF Investment Decision.</i>	<p>Achieved.</p> <p>Each project has been forecast to generate public benefit. The total public benefit forecast on the ten approved projects totals \$12.7bn.</p> <p>The quantified public benefit materially exceeds the cost of concessions by a multiple of 300 times against a target of 2 times. Case studies have 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>
	<i>Job creation</i>	<p>Achieved.</p> <p>For each Investment Decisions the number of jobs forecast in both the construction and operational phase of the project have been published on NAIF's website. FY21-22 projects are forecast to support 5,083 jobs in either the construction or operational phase.</p>
2. INDIGENOUS ENGAGEMENT	<i>Sustainable Indigenous participation, procurement and employment</i>	<p>Achieved.</p> <p>An Indigenous Engagement Strategy was developed by the proponent for each Investment Decision meeting the requirements of the NAIF Investment Mandate. For each project 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/</p>
3. GROWTH IN INVESTMENT ACTIVITY	<i>Dollar value of NAIF Investment Decisions per annum</i>	<p>Not achieved.</p> <p>\$752m of Investment Decisions in FY21-22 against a target of between \$1bn - \$1.25bn.</p>
	<i>Contractual close per annum</i>	<p>Not achieved.</p> <p>Contractual close reached on projects worth \$454m during the period against a target of between \$0.8 - \$1bn.</p>

Performance Criterion	Measure	Outcome
3. GROWTH IN INVESTMENT ACTIVITY (CONT'D)	<i>Diversification</i>	<p>Achieved.</p> <p>Over the last four-year time horizon, the NAIF Board has made Investment Decisions to commit loan capital of \$3.5bn. The projects supported are diversified by both location and sector. The spread by state is - QLD: 33%, NT: 21% and WA: 46%. The spread by industry sector over the last four years is energy: 22%, transport: 15%, social infrastructure: 9%, agriculture & water: 4%, financing partnerships: 1% and resources: 48%.</p>
4. RISK MANAGEMENT	<i>Demonstrated active management within the Risk Framework and Risk Appetite Statement</i>	<p>Achieved.</p> <p>Risks were actively monitored and managed throughout the period in accordance with the Board approved Risk Appetite Statement and Risk Management Framework.</p>
	<i>Compliance with NAIF Act and NAIF Investment Mandate</i>	<p>Achieved.</p> <p>No instance of non-compliance with NAIF Act and Investment Mandate.</p>
5. ACTIVE STAKEHOLDER MANAGEMENT	<i>Level of communication and stakeholder engagement activity</i>	<p>Partly achieved.</p> <p>Board meetings were held in person during the year in northern Queensland and the Northern Territory. The Board meeting scheduled in Western Australia was postponed due to COVID-19 travel restrictions.</p> <p>NAIF participated in industry and regional events including keynote presentations at the Developing Northern Australia conference. The Indigenous Outcomes team hosted targeted round table events with key stakeholders and partners during the year.</p> <p>During the period NAIF developed an enhanced communications suite including regular media releases, newsletters and LinkedIn updates. NAIF's LinkedIn followers increased by 68%.</p> <p>NAIF's website underwent a program of continuous improvement with new material highlighting investment activities and impact.</p> <p>Stakeholder survey undertaken. Results reported in July 2021 showed overall strong engagement with areas for improvement factored into NAIF's stakeholder and communications strategy for the period.</p>

Performance Criterion	Measure	Outcome
6. FINANCIAL SUSTAINABILITY	<i>Operating expenditure is within the departmental appropriation budget</i>	Achieved. NAIF's operating expenses were within the appropriation budget.
	<i>Cost Recovery (for debt financings)</i>	On track. Over the life of the loans (both currently approved and projected), transaction loan revenue is forecast to exceed operating costs and Commonwealth cost of borrowing by FY24-45. NAIF's transaction revenue over the financial year was \$22.9m, representing a 37% increase from FY20-21 and 182% of FY21-22 operating expenses.
	<i>Equity returns</i>	Not applicable

Analysis of Performance Criteria

Figure 2: Summary of Investment Decisions made in FY21-22

Proponent	Jurisdiction	Project	NAIF Loan Investment Decision	Total Project Size
Alliance Airlines	Rockhampton, QLD	Airport maintenance hub	\$21m	\$30m
Kalium Lakes Potash Pty Ltd	Pilbara region, WA	Liquidity facility	\$10m	\$20m
Kimberley Cotton Company Ltd	Kimberley region, WA	Cotton gin	\$32m	\$42m
Mardie Salt (BCI Minerals Ltd)	Pilbara, WA	Increase in NAIF facility to expand evaporative salt project	\$40m	\$1,344m
NT Local Jobs Fund	Northern Territory	Financing Partnerships	\$50m	\$66.7m
Water Corporation	Pilbara region, WA	Burrup Scheme Upgrade	\$95m	\$118.8m
Pilbara Ports Authority	Pilbara region, WA	Dampier port expansion	\$160m	\$200m
Mackays Farming Group	QLD	Agricultural diversification including accommodation and airstrip infrastructure	\$44m	\$44m
Hasting Technology Metals	Gascoyne region, WA	Yangibana rare earths	\$140m	\$630m
Kimberley Mineral Sands	Kimberley region, WA	Thunderbird mineral sands	\$160m	\$453m

1. & 2. Public benefit and Indigenous engagement

The Mandatory Criteria to be eligible for NAIF financial assistance under the Investment Mandate requires that the Board must be satisfied that the 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 which outlines the requirements of the

NAIF Board. The potential benefits vary for each project and have been assessed spanning different periods depending on the life of the asset. Benefits are assessed quantitatively where possible to determine a net public benefit number. 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 FY21-22 Investment Decisions are forecast to generate \$12.7 billion of public benefit to the northern Australia economy which is a multiplier of 16.9 for every NAIF loan dollar committed and a multiplier of 300 when comparing to the cost of concessions on the NAIF loans. The Investment Decisions by the NAIF Board are forecast to support 5,083 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 FY21-22 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.

The bespoke strategies developed with each project proponent provide appropriate opportunities for participation, procurement and employment commensurate with the nature, scope and location of each project, and considering the capacity and any existing operations of the proponent. The opportunities are designed for both the construction and operational phases of the project.

In addition, the commitments are aligned to the length of the NAIF loan, in this way maximising opportunities for the local Indigenous community. 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 website⁴.

Some recent IES performance highlights include:

- Alinta Energy - strong procurement spend with Indigenous businesses and looking to continue a number of partnerships with Indigenous businesses wider than their NAIF financed projects in the Pilbara.
- James Cook University - more than doubled employment targets and renamed the Student Accommodation Project in local Birri Gubba language, the language of the local Bindal Traditional Owners.
- North Queensland Cowboys - doubled their Indigenous participation target during construction.
- Genex Power - supported the local Ewamian Traditional Owners with their eco-tourism project at the Talaroo Hot Springs and have achieved strong Indigenous employment outcomes.
- Mater Hospital, Townsville - more than tripled their Indigenous employment in the construction phase and will have an Indigenous art piece by a local artist embedded as a façade on the carpark.
- Airport Development Group - supported a number of local Indigenous supply chains and businesses through works at the Darwin International Airport and

strengthened their relationships with local Larrakia organisations.

3. Investment Growth

NAIF committed new investment finance of \$752 million through the FY21-22 Investment Decisions against a target of \$1 billion - \$1.25 billion. Several projects expected to progress to Investment Decision have been delayed due to material increase in construction costs, supply chain and logistic issues, in addition to a tight labour market. NAIF is supporting these Proponents, in assessing the impacts to their projects and potential for a viable project in the current environment.

The total capital value of the projects NAIF has supported during the year is \$1.6 billion. The projects reflect NAIF's role in developing northern Australia with offers of finance for projects in each of the three northern Australia jurisdictions (being Queensland, Northern Territory and Western Australia). The projects were across sectors, namely resources (Thunderbird Mineral Sands, Yangibana Rare Earths, Dampier Port Expansion, Burrup Scheme Upgrade, Kalium facility), financing partnerships (NT Local Jobs Fund) transport (Alliance Airlines) and agriculture & water (Kimberley Cotton Gin).

Contractual Close was reached on projects totalling \$454 million against a target of \$0.8 - \$1 billion. Two large projects did not close prior to year-end as anticipated. One project reached contractual close in July 2022 as a consequence of aligning execution of documentation with other lenders. Due to market pressures, a further project is reassessing the impacts on project deliverability, contractual risks and funding requirements.

Contractual close is a key point of economic enablement for NAIF's projects, as this is when proponents have the confidence to carry out design and construction, driving employment and economic growth. On 30 June 2022, NAIF had reached contractual close on \$ 2.5 billion of financings in total, which relates to twenty five projects which are now generating economic activity in northern Australia.

NAIF has met the four-year diversification targets across both geography and sector. The jurisdictional spread of projects supported, and sector diversification is illustrated on northern Australia map on page 8 - 9 of this report. NAIF is a proponent led model, which can result in sector or location concentration over shorter time periods.

⁴ <https://naif.gov.au/what-we-do/indigenous-engagement/indigenous-engagement-strategy/>

4. Risk Management

NAIF continued to uplift its risk management maturity throughout FY21-22 with the Risk Management Framework refreshed to reflect the reforms to the Investment Mandate and better practice risk management. In addition, the Key Enterprise Risks and Risk Appetite Statement were revised and elevated to support managing risk in delivery of NAIF's strategic goals.

To enhance and consolidate NAIF's compliance management activities, a new Compliance Management Framework was developed. The Compliance Management Framework provides NAIF with a methodology for managing compliance obligations, promoting a culture that recognises the importance of adhering to NAIF's regulatory obligations, and provides a mechanism to report suspected compliance breaches.

NAIF actively managed and monitored Key Enterprise Risks and compliance via management committees and the Board Audit and Risk Committee. Each quarter, the Board Audit and Risk Committee provided oversight of risk and compliance by reviewing management's Risk Management and Compliance Report. The report details NAIF's performance against the Risk Appetite Statement, current risk management activities, and compliance with key legislative obligations.

5. Stakeholder Management & Communications

NAIF continued to work closely with key stakeholders, across the Commonwealth and jurisdictional Governments, industry organisations and with proponents with respect to NAIF's new loans, existing portfolio to achieve outcomes in the north.

NAIF presented and attended conferences and industry events around the north including keynote presentations at the Developing Northern Australia conference. The Indigenous Outcomes team hosted targeted round table events with key stakeholders and partners during the year.

NAIF continued to engage with media and enhanced the organisation's communication suite with a revised stakeholder newsletter, regular LinkedIn content and refreshed website material. Proactive media pieces focusing on the impact of NAIF investments were also released and featured in regional media publications.

NAIF's June 2021 stakeholder survey found all stakeholders said they had had positive dealings and engagement with NAIF, with more than three quarters agreeing that NAIF has a good reputation and is supporting economic growth and stimulating population growth.

6. Financial Sustainability

NAIF's external auditor issued an unmodified audit opinion on NAIF's FY21-22 Financial Statements.

NAIF has managed its operating expenditure ensuring expenses were within budget.

During the period NAIF made significant progress in generating revenue to cover current and cumulative operating costs. This will be a continued focus with the aim of revenue being above operating costs in the medium term. NAIF's transaction revenue over the financial year was \$22.9 million, representing a \$6.2 million increase from FY20-21 and 182% of FY21-22 operating expenses.

For the FY21-22 Investment Decision commitments, contracted revenue includes an establishment fee (payable at or around financial close) and an interest rate above the Commonwealth borrowing rate. Pricing of individual financing decisions consider NAIF's target to cover the cost of borrowings, and NAIF's operating expenses at an Investment Decision portfolio level over the life of the NAIF loans, along with NAIF's ability to provide concessions needed to enable project viability.



Image: Kidston Pumped Storage Hydro Project, Photo: Genex Energy

Corporate Governance

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).

On 2 July 2021, NAIF’s Investment Mandate was amended to include the Minister for Finance as a signatory to that document. This change followed the implementation of the reforms under the Northern Australia Infrastructure Facility Amendment Act 2021 on 7 June 2021 which, amongst other amendments, expanded the concept of the responsible Ministers to include the Minister for Finance and the Minister for Northern Australia. References to the ‘Minister’ refer to Minister for Northern Australia.

Accountability

NAIF is a portfolio agency within the Department of Infrastructure, Transport, Regional Development, Communications and the Arts. The responsible Ministers for the FY21-22 period were:

- 1 June 2022 onwards the Hon Madeleine King, MP, Minister for Resources and Northern Australia and Senator the Hon Katy Gallagher, Minister for Finance;
- 2 July 2021 - May 2022 the Hon David Littleproud, MP, Minister for Agriculture and Northern Australia

and Senator the Hon Simon Birmingham, Minister for Finance; and

- 1 July 2021 – 2 July 2021 the Hon Keith Pitt, MP, Minister for Resources, Water and Northern Australia.

NAIF’s Board is the Accountable Authority with a focus on strategic direction, risk appetite and monitoring performance. The Minister appoints the members of NAIF’s Board and provides direction through the Investment Mandate.

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

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.

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.

Figure 3: NAIF’s corporate governance structure



Board Audit and Risk Committee Charter

Pursuant to section 45 PGPA Act, NAIF is required to have in place a functioning audit committee. The NAIF Board constituted the Board Audit and Risk Committee (BARC) to review the appropriateness and provide advice on 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. <https://naif.gov.au/who-we-are/corporate-governance/governance-policies/>

People and Remuneration Committee Charter

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.

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, as required by section 18(1) of the Investment Mandate.

Strategic and Corporate Planning

NAIF's strategic documents align with its corporate governance framework and purpose. The Corporate Plan FY22-23, sets out how we will build on our achievements to date by working with our partners to generate more jobs and economic activity in northern Australia. The plan is available on the NAIF website.

Ethical and responsible behaviour

Code of Conduct

The Code of Conduct seeks to foster a culture where ethical conduct is valued and demonstrated in NAIF's day-to-day business. The Code of Conduct provides the principles, standards, and behaviours that support expectations of integrity, accountability, transparency, and professionalism.

Conflicts of Interest

NAIF manages conflicts of interest in accordance with its Conflicts of Interest Policy which covers actual, potential or perceived conflicts of interest for NAIF Board members, employees and contractors.

In relation to the Board, where a Board member has a material personal interest in relation to a project under consideration, that Board member is excluded from discussions and documents relating to the project. A disclosed interest register is maintained to record actual, perceived or potential Board members' conflicts of interests. Board meeting minutes record recusals to protect any disclosed personal interests from occurring.

Anti Money Laundering and Counter Terrorism

NAIF has an effective anti-money laundering and counter-terrorism (AML/CTF) program that drives a positive culture of compliance. The Program incorporates sufficient safeguards to detect and prevent money laundering and terrorism financing when providing designated services.

Compliance

NAIF manages its compliance obligations through the compliance management framework, governance, and risk systems. The framework provides a consistent and transparent methodology to manage obligations while promoting a culture that recognises the importance of adhering to regulatory requirements.

All incidents in FY21-22 were recorded in the NAIF Incident Register and satisfactorily addressed with no systemic issues identified.

Corporate Reporting

Internal Audit

McGrathNicol is NAIF's internal auditor. During the period the internal audit program maintained a focus on delivery of value-adding services and compliance and performance audits in accordance with the Strategic Internal Audit Workplan.

External Financial Audit

The Australian National Audit Office (ANAO), NAIF's external auditor, confirmed that NAIF's FY21-22 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 FY21-22 financial statement audit was outsourced by ANAO to KPMG.

Judicial and administrative decisions and reviews

There were no judicial or administrative decisions during the period.

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 \$29,522.

Legislative Reporting

Ministerial Direction

The responsible Ministers give NAIF direction through the NAIF Investment Mandate which is available on the NAIF website <https://naif.gov.au>

NAIF Act - Section 42(1) Reporting

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

- (a) **Investment Mandate changes:** On 2 July 2021, NAIF’s responsible Ministers issued a new NAIF Investment Mandate. The key changes and their impacts on NAIF’s operations are summarised in Figure 4.

Figure 4: Summary of Investment Mandate changes

Changes	Impact
Expanded concepts of: geography to include the Shire of Ngaanyatjaraku in Western Australia; definition of infrastructure and a focus on financing development rather than just construction; and public benefit that now provides a non-exhaustive list of examples.	Broadens the range of projects that NAIF can support to produce a public benefit.
Extended the financing mechanisms and their requirements through which NAIF can provide assistance to include debt and debt-like instruments, equity and equity-like instruments and direct debt funding instead of financial assistance through a State or Territory.	Broadens the range of financing mechanisms available to NAIF to meet the requirements of proponents and to deliver NAIF’s purpose.
Enhanced consultation and reporting.	Increased transparency.

(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 ten Investment Decisions made by the NAIF Board between 1 July 2021 and 30 June 2022 which are summarised in Figure 5.

Figure 5: Summary of proposal notices

Proponent	Jurisdiction	Project	Max. amount of NAIF financial assistance
Alliance Airlines	Rockhampton, QLD	Airport maintenance hub	\$21m
Kalium Lakes Potash Pty Ltd	Pilbara region, WA	Liquidity facility	\$10m
Kimberley Cotton Company Ltd	Kimberley region, WA	Cotton gin	\$32m
Mardie Salt (BCI Minerals Ltd)	Pilbara, WA	Increase in NAIF facility to expand evaporative salt project	\$40m
NT Local Jobs Fund	Northern Territory	Financing Partnerships	\$50m
Water Corporation	Pilbara region, WA	Burrup Scheme Upgrade	\$95m
Pilbara Ports Authority	Pilbara region, WA	Dampier port expansion	\$160m
Mackays Farming Group	Lakeland, QLD	Agricultural diversification and accommodation and airstrip infrastructure	\$44m
Hasting Technology Metals	Gascoyne region, WA	Yangibana rare earths	\$140m
Sheffield Resources Ltd	Kimberley region, WA	Thunderbird mineral sands	\$160m

(c) Summary of rejection notices by the Minister:

There were no rejection notices from the Responsible Minister during the period.

(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 5: Summary of proposal notices.

(ii) All financial assistance provided during the period was in the form of a loan. Figure 6 provides a summary of the important features of each loan during FY21-22.

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

Proponent ¹	Tenor (years)	Senior	Secured	Interest rate concession
Alliance Airlines	15	✓	✓	✓
Kalium Lakes Potash Pty Ltd	1	✓	✓	
Kimberley Cotton Company Ltd	12	✓	✓	✓
NT Local Jobs Fund	12	✓		✓
Water Corporation	25	✓	✓	
Pilbara Ports Authority	25	✓	✓	
Mackays Farming Group	TBC			
Hasting Technology Metals	12.5	✓	✓	✓
Sheffield Resources Ltd	12	✓	✓	

¹ See proponent names and project details in Figure 5 Summary of Proposal Notices

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 were three adjustments / concessions of this type during the reporting period which are summarised in Figure 7.

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

Proponent	Adjustment / Concession	Reason
Queensland Airports Ltd (QAL)	Amendments to the Facility Agreement including a 2-year extension to the availability period and relief on testing until 17 June 2022 ('COVID-19 Period'). QAL is currently reviewing the program of works that will be undertaken to upgrade the Townsville Airport now that borders have re-opened and travel is increasing. NAIF remains supportive and will work with QAL to finance the new program.	QAL suspended most of its capital works, including the upgrade of the Townsville Airport during the COVID-19 Period which had a significant negative effect on their business. Drawdowns under the NAIF facility were suspended as a result. Subject to the necessary approvals, QAL is planning to segregate the major project components of the upgrade into smaller projects which will be delivered with a delayed schedule.
Kalium Lakes Potash Pty Ltd (Kalium)	Restructure of existing debt facilities and an additional liquidity facility. The debt restructure included a deferral of principal repayments for the first two years of production and a two-year extension to the maturity date. The liquidity facility was for short-term working capital purposes.	Kalium management identified production expansion opportunities to take advantage of a rising Sulphate of Potash price environment. Kalium required new funding for the capital expenditure associated with the expansion and at the same time, the project faced the impact of sector wide and macro-economic cost pressures.
Coburn Resources Pty Limited (Coburn)	A partial reallocation of lending commitment initially identified for funding the Denham Road Project repurposed to fund the construction of a multiuser airstrip.	Coburn identified an opportunity for a purpose-built airstrip near the project location that would mitigate the risk of labor shortages and associated costs during operations. An airstrip near the project site would significantly reduce travelling times through direct flights and improve the ability to attract and retain the required workforce. The airstrip is proposed to be certified to allow use by Royal Flying Doctor Service to deliver health and safety public benefits.

NAIF Act – Section 42(2) Reporting

NAIF had no subsidiaries in existence during FY2021-22.

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)⁵. NAIF must also document the effect of its activities on the environment, identify measures taken to minimise the impact of its activities on the environment and identify any mechanisms for reviewing and increasing the effectiveness of those measures.

The NAIF Act does not refer to the principles of ESD or environmental matters. However, consideration of the environmental impact of our activities are a part of the way we make decisions and do business in compliance with Australia's legislative landscape.

Section 16 of the Investment Mandate requires NAIF to provide financial assistance only where a proponent has obtained all relevant regulatory, environmental and native title approvals and arrangements as required by the relevant jurisdiction.

Environmental and Social Review of Projects Policy

NAIF's activities accord with ESD principles and best practice corporate governance through the application of its Environmental and Social Review of Projects Policy (ESR Policy). The ESR Policy ensures that each project submitted for an Investment Decision has been assessed through environmental and social diligence and measures identified to minimise the impact of our activities on the environment. Each of the Investment Decisions on pages 8-9 were assessed against the ESR Policy.

Section 18(a) of the Investment Mandate also 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 FY21-22 NAIF operated from six office locations:

- a head office in Cairns, Queensland;
- in Sydney, New South Wales, where NAIF leases space from Export Finance Australia;
- Brisbane, Queensland where NAIF accessed seven desks through Australian Financial Security Authority (ASFA);
- Perth, Western Australia where NAIF has a serviced office in the Executive Centre;
- Darwin, NT, where NAIF has a serviced office in Charles Darwin Center;
- Townsville, Queensland where NAIF has two desks in the Smart Precinct NQ.

⁵ Section 516A(6)(b) requires a reporter to identify how the outcomes (if any) specified for the reporter in an Appropriations Act relating to the period contribute to ecologically sustainable development. NAIF had no outcomes specified in an Appropriations Act relating to this reporting period. Money was appropriated to the Department of Industry, Science, Energy and Resources for payment to NAIF in connection with one of that portfolio's outcomes.

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 2022, 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 FY21-22 for further details regarding Sydney office efficiencies and ASFA Annual Reports FY21-22 for further details on their office efficiencies.



Image: Humpty Doo Barramundi.

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.

NAIF Board role and responsibilities

The Board is the accountable authority responsible for the overall operation and stewardship of NAIF and reports to Parliament through the responsible Ministers. The Board decides within the scope of the NAIF Investment Mandate the strategies and policies to be followed. It monitors compliance with those strategies and policies, defines NAIF’s risk appetite, makes Investment Decisions and otherwise ensures the proper, efficient and effective performance of NAIF.

Figure 9: Summary of Board Member meeting attendance FY21-22

Board Member	Board	
	Eligible	Attended
Grant Cassidy	4	4
Kate George	7	6
Mark Gray	4	4
Tracey Hayes (Chair)	7	7
Lisa Hewitt	3	3
Shirley In’t veld ¹	0	0
Justin Mannolini ²	2	2
Steve Margetic	7	7
Government Member (Delegates of the Secretary) ^{3, 4, 5}	7	7

¹ Granted Leave of Absence 8 February 2022 and resigned 12 July 2022

² Resigned 29 September 2021

³ Vicki Middleton nominated as primary Delegate and Linda Lee nominated as alternate Delegate 4 July 2021. Vicki Middleton ceased as primary delegate on 5 July 2022.

⁴ Mark Darrrough nominated as alternate Delegate 2 December 2021 until 8 March 2022

⁵ Stephanie Werner nominated as alternate Delegate 29 April 2022 until 5 July 2022

Board Audit and Risk Committee

In accordance with the PGPA Act and the PGPA Rule the primary function of the Board Audit and Risk Committee (BARC) is to review the appropriateness of and provide advice on NAIF's:

- financial reporting;
- performance reporting;
- the system of risk management and oversight; and
- the system of internal control.

Figure 10: Summary of Board Audit and Risk Committee Member meeting attendance FY21-22

Board Member	BARC Attended
Kate George ¹	2
Mark Gray ²	3
Lisa Hewitt ³	2
Justin Mannolini ⁴	1
Steve Margetic ⁵	3
Government Member (Delegates of the Secretary)	
Vicki Middleton ⁶	1

¹ Interim member from 9 November 2021 until 8 February 2022

² Member from 14 December 2021; Chair from 8 February 2022

³ Member from 8 February 2022

⁴ Member and interim Chair from 22 September 2021 until resignation from Board

⁵ Member from 22 September 2021; Interim Chair from 9 November 2021

People and Remuneration Committee

The People and Remuneration Committee (PRemCo) is a sub-committee of the Board and its primary role is to provide strategic advisory oversight of NAIF's people and remuneration policies, frameworks, initiatives and strategies to assist in enabling NAIF to fully and effectively perform its functions to ensure the success of NAIF.

Figure 11: Summary of People and Remuneration Committee Member meeting attendance FY21-22

Board Member	PRemCo Attended
Grant Cassidy ¹	2
Kate George ²	3
Government Member (Delegates of the Secretary)	
Vicki Middleton ³	1

¹ Member and Chair from 8 February 2022

² Interim Chair from 22 September 2021 until 8 February 2022

³ Interim member from 22 September 2021 until 2 December 2021

Board (Board Profiles and Photos)

Tracey Hayes

EMBA, GradCert Rangeland Science MAICD JP

Chair and member from Northern Territory

Appointed to the Board and as Chair - 01/07/2021



A business person and experienced Chair, Director and CEO working throughout Australia, and internationally. Involvement in northern Australia includes being a long-term resident and business operator in northern Australia with significant experience in land management, exports, trade, infrastructure development and working across State, Territory, and the Commonwealth government.

Current roles include: Board of the Australia Indonesia Institute; Member of the National Resilience and Recovery Agency advisory board; Executive Director-AAMIG-Northern Australian Business Development; Director, Lion Twin Pty Ltd; Director, Wiltrac Pty Ltd.

Previous roles include: Chief Executive, Northern Territory Cattlemen’s Association; Council Member of the Order of Australia Honours Council; member of the Cooperative Research Centre for Northern Australia.

Grant Cassidy

OAM FAICD JP

Member from Queensland

Appointed 24/11/2021



A business person and highly experienced company director specializing across a range of sectors including Tourism and Hospitality, Media, Regional Economic Development, Beef cattle and Ports. Involvement in northern Australia includes over 35 years of living and working across Central and Northern Queensland including Cairns, Mackay and the Whitsundays, Rockhampton and Gladstone.

Current roles include: Managing Director, Cassidy Hospitality Group; Director Gladstone Ports Corporation Ltd; Director Gladstone Marine Pilot Services; Chairman - Regional Development Australia Central and Western Qld; Vice Chairman of Beef Australia Ltd; Chair Rockhampton Red Shield Appeal business committee; Chair Capricornia Business Advisory Alliance

Previous roles include: 15 Years in Commercial Media (Radio) and Multi Media

Kate George

LLB, Hon DLaws GAICD

Member from Western Australia

Appointed 29/3/2019



A consultant with an extensive 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. 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.

Current roles include: Director, Claypan Services Pty Ltd; Director, Warlparringu Pty Ltd; Member, Northern Region TAFE Governing Council; Director, IBA Assets Management Pty Ltd. (IBA-AM), Managing Director, PwC Indigenous Consulting.

Previous roles include: Principal Consultant, Claypan Services; CEO, Kariyarra Mugarinya Property Joint Venture; Ministerial Advisor State and Federal Governments

Mark Gray

BEcon, DUni, SFFSIA, FAICD

Member from Queensland

Appointed 24/11/2021



A professional company director with extensive experience and skills in strategic leadership, financial services, investment banking, corporate governance and organisational change. An accomplished Chairman and Company Director, with an outstanding record of significant achievement in non-executive and executive roles across both the private and public sectors. Involvement in northern Australia includes previous employment and current directorships which have interests and operations in northern Queensland, at locations such as Cairns, Townsville, Mackay, Mourilyan, Lucinda and Mt Isa.

Current roles include: Chairman, Sugar Terminals Limited; Non-executive Director, Data#3 Limited; Non-executive Director, The Central SEQ Distributor-Retailer Authority; Non-executive Director, Royal Flying Doctor Service (Qld) and Foundation; Non-executive Director, genomiQa Pty Ltd; Non-executive Director, the Queensland Cricket Association; Chairman, Tailored Superannuation solutions Pty Ltd

Previous roles include: Chief Executive, Queensland Treasury; Chief Executive, Queensland Competition Authority

Board (Continued)

Steve Margetic

FAICD

Member from Northern Territory

Appointed 01/07/2021



A business person with extensive northern Australia private sector and government owned corporation experience in regional and remote strategic infrastructure development and delivery through Public Private Partnerships, Alliancing, Managing Contractor delivery and traditional delivery models across tourism, defence, health, education, institutional and civil engineering sectors. Involvement in northern Australia includes over 35 years in business and industry with a keen interest in the importance of strategic economic infrastructure as a key enabler to underpinning long term economic growth in northern Australia.

Current roles include: Managing Director Sitzler Pty Ltd, Director Master Builders Australia

Previous roles include: Chairman of the Northern Territory Land Development Corporation, Director of Power Water Corporation, President of Master Builders NT, Member of the Territory 2030 Strategic Plan steering Committee

Lisa Hewitt

BBus (Accounting), MBA (Finance) MAICD

Member from Queensland

Appointed 27/01/2022



A finance professional with an accounting background, and experience in building and leading high-performance cultures that deliver for customers and communities in Northern Australia. Experience across corporate, middle market specialised and high-risk lending for Agribusiness, Property, Commercial and Health industries. Involvement with northern Australia includes a lifelong association and experience through family business and corporate roles. A strong supporter of regional Australia, promoting investment to improve capability and delivery of financial wellbeing and services in regional centers.

Current roles include: Regional Executive, Business Banking North Queensland, Australia and New Zealand Banking Group Limited

Justin Mannolini

BCom, LLB, LLM, GAICD, SFFSIA

Member from Western Australia

Reappointed 01/07/2021 - Resigned 29/09/2021

A lawyer and company director with over 25 years' experience in legal and financial sectors. Strong expertise in mergers and acquisitions, capital markets transactions and corporate governance. Involvement with northern Australia includes experience engaging as a key advisor to significant projects.

Current roles include: Partner, Gilbert + Tobin Solicitors, Corporate Advisory Group, Chairman of Jindalee Resources Limited

Previous roles include: Executive Director of Macquarie Group

Shirley In't veld

BCom, LLB

Member from Western Australia

Appointed 28/01/2022

Granted leave of absence 08/02/2022 for four months - Resigned 12/07/2022

A professional company director with over 30 years of experience in mining, renewables and energy sectors.

Current roles include: Director of Alumina Limited, NBN Co Limited and APA Group

Previous roles include: Deputy Chair of the Commonwealth Science and Industrial Research Organisation; Director of Northern Star Resources Limited



Image:
North Queensland Cowboys' Community,
Training and High Performance Centre.

Risk Management

Our Risk Management Framework

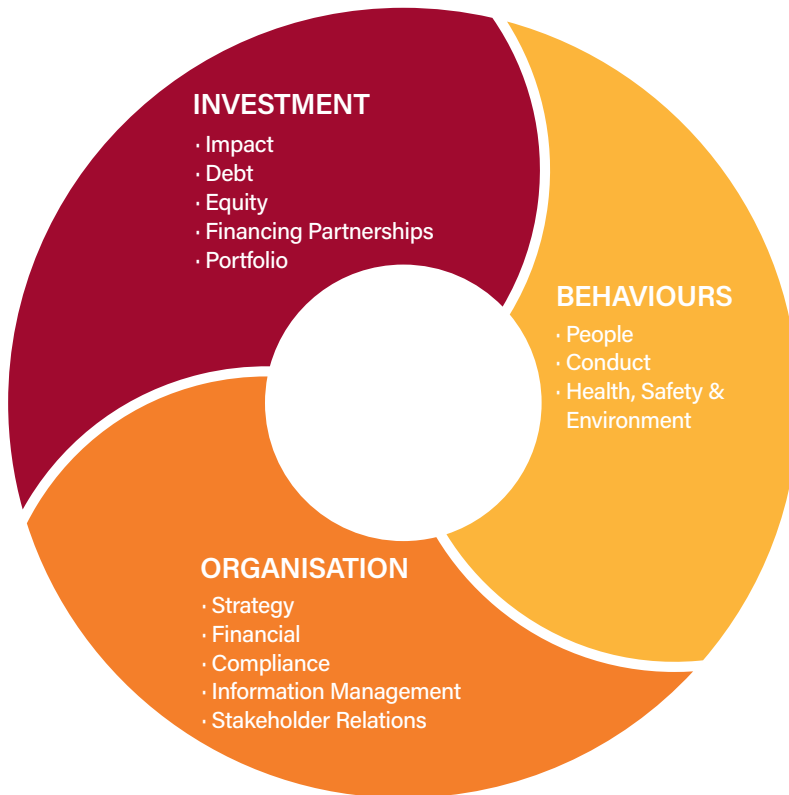
NAIF’s Risk Management Framework (Framework) documents the approach to risk oversight, management, and internal controls. It contains a consistent methodology to identify and manage risks to achieve NAIF’s strategic goals and to maintain alignment with the International Standard for Risk Management, (ISO31000), the PGPA Act, and the Commonwealth Risk Management Policy.

Enterprise Risks

NAIF is focusing on uplifting its Risk Management Framework to reflect reforms to the Investment Mandate and better practice risk management. As part of this journey, NAIF’s Risk Appetite and Key Enterprise risks were revised and elevated to support managing risk in delivery of NAIF’s strategic goals. The Key Enterprise Risks are listed below.

NAIF continues to scan the internal and external environment for developing risks which may impact NAIF’s ability to achieve strategic goals.

Figure 12: Key Enterprise Risks



Our Risk Culture

NAIF's Risk Vision sees risk management as an enabler to seize opportunities to achieve NAIF's vision and strategic imperatives. Establishment of a positive risk culture is integral to delivering NAIF's risk vision. Risk culture is fundamental to the safe and sound operation of the organisation. The Framework defines risk culture as the following:

Figure 13: Risk Culture Elements



Risk Management (Continued)

Risk Oversight

The Board has overall responsibility for risk management, setting NAIF’s risk appetite and monitoring performance against the appetite. The Board’s oversight is supported by the Board Audit and Risk Committee (BARC), and internal management groups.

The Board engages an independent internal auditor to review the adequacy of risk management and internal controls. In addition, the ANAO perform an independent audit of NAIF’s financial statements.

Role of Committees

The BARC is responsible for providing oversight for the Board on all aspects of risk management and internal control. Underpinning this oversight is Quarterly Risk and Compliance reporting. The reporting details NAIF’s current risk profile and control environment, incidents and compliance breaches, and management actions.

Internal management groups support our processes and demonstrate risk management through individual accountability by the relevant executive team members.

The groups are as follows:

- ▶ Executive Management Group (EMG)
- ▶ Portfolio Management Group (PMG)
- ▶ Investment Review Group (IRG)

Figure 14: Key Management Groups





Image: Kidston Pumped Storage Hydro Project. Photo: Genex Energy.

People

Organisational structure and location

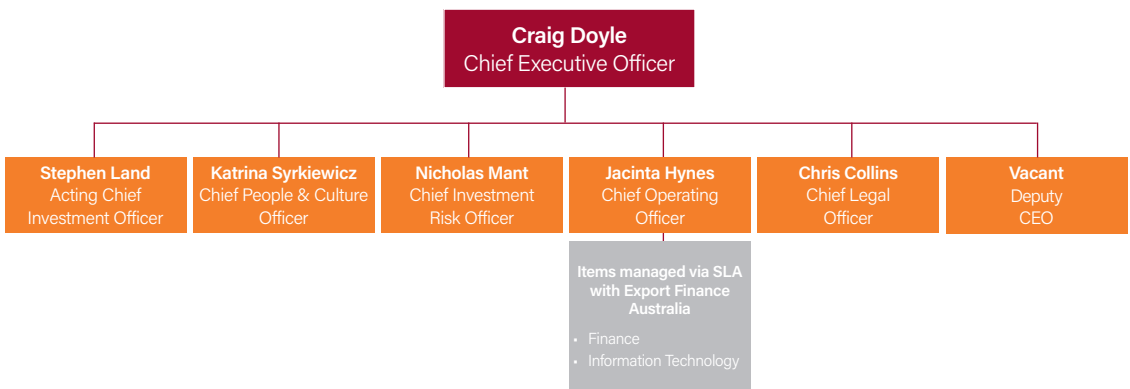
NAIF’s head office in Cairns allows the CEO and employees to develop strong relationships across northern Australia. NAIF also has employees located in Darwin, Townsville, Brisbane, Perth and Sydney.

NAIF’s Executive Team includes the CEO and six direct reports. The Chief Investment Officer is supported by Directors who have expertise 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 Indigenous outcomes,

portfolio management, corporate planning and reporting, communications and stakeholder relations, legal, governance, risk, compliance and human resource functions.

NAIF relies on its people and culture to achieve its purpose. Attracting and retaining the right people is critical to NAIF’s ongoing success. The recruitment approach is continually refined to ensure NAIF reaches candidates that have experience living and working in northern Australia along with the technical expertise required. NAIF remains agile to anticipating and responding to changes in government policy and market conditions and the needs of proponents and projects investing in northern Australia.

Figure 15: NAIF Organisational Structure (as at 30 June 2022)



Service Level Agreement (SLA) with Export Finance Australia

NAIF leverages expertise and support from Export Finance Australia under a SLA which ensures cost efficient use of existing Australian Government resources.

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

NAIF has secured a committed team with extensive experience as lenders and/or financial advisors in the commercial market, this includes expertise advising both the public and private sector counterparts. NAIF has also recruited people with specialist legal, stakeholder relations and communications, risk and governance, Indigenous outcomes and corporate administration expertise.

Values

NAIF is guided by our core values which underpin our organisational culture and the way we go about our work to deliver on our purpose.

NAIF is committed to providing a learning and performance culture where its people have support to succeed and grow. Our focus is on developing technical and leadership capabilities through tailored learning and development opportunities that support our individual

and collective growth and enable the business to expand and flex. NAIF also identifies programs to further develop an agile and high performing workforce with the skills needed, now and in the future.

Workforce Demographics

As NAIF grows and matures, it continues to expand its capabilities by recruiting experienced talent to meet its current and future needs. During FY21-22 NAIF grew its team from 30 to 38 (an increase of 8 FTE) through targeted recruitment, primarily to support business expansion and portfolio management activities. As at 30 June 2022, NAIF had 37.2 Full Time Equivalent (FTE) employees. This includes one Australian Government Average Staffing Level position, representing the CEO position, as reported in the Portfolio Budget Statements.

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



Figure 16: Number of FTE Employees

	30 June 2022	30 June 2021
Total FTE staff	37.2	29.4

Figure 17: Number of Full-Time / Part-Time Employees (by headcount)

	30 June 2022	30 June 2021
Full-Time Employees	34	27
Part-Time Employees	4	3

Figure 18: Location of Employees (by headcount)

	30 June 2022	30 June 2021
Cairns	13	10
Brisbane	4	1
Darwin	1	2
Townsville	2	1
Perth	2	1
Sydney	16	15

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 recognises that its culturally diverse team enhances its ability to deliver projects that are culturally appropriate for northern Australia.

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 three Indigenous employees working in northern Australia.

Figure 19: NAIF gender diversity profile at 30 June 2022

Classification	Female Headcount		Male Headcount		Total	
NAIF Employees	13	34%	25	66%	38	100%

Figure 20: NAIF workforce diversity at 30 June 2022

Classification	NESB ¹ Headcount		ATSI ² Headcount		PWD ³	
NAIF Employees	10	26%	3	8%	1	3%

¹ NESB = Non English speaking background (or with parents from a non-English speaking background).

² ATSI = Aboriginal or Torres Strait Islander background.

³ PWD = people with a disability.

Learning and Development

NAIF employees are provided access to a comprehensive learning and development curriculum. Employees receive a thorough initial induction facilitated by Human Resources, and then a further risk and compliance induction. There is progressive compliance and other specialist training with a rolling schedule of independent and subject matter 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 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 a number of tailored wellbeing initiatives, which promote improved health awareness, self-management skills and healthy work practices.

NAIF's employees 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 remote working technologies provided operational continuity.

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 provided 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.

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 for the reporting period. NAIF 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 PGPA Rule 2014 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.

Figure 21 lists the Key Management Personnel (KMPs) for FY21-22. It includes all Board Members and those Executives deemed to be KMPs by the Board, namely the Chief Executive Officer, the Chief Investment Officer, the Chief Investment Risk Officer, Chief Operating Officer, the Chief Legal Officer and the Chief People and Culture Officer. These individuals are identified as KMPs consistent with the definition in the Australian Accounting Standards Board (AASB) 124 Related Party Disclosures.

A further two employees are classified as senior executives and five as other highly paid employees for the purposes of the Commonwealth's remuneration reporting, refer to figure 24 and 25 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 \$235,000 threshold for the FY21-22 reporting period.

Figure 21: FY21-22 KMPs

Name	Title	KMP Status	FY21-22 Status
Board⁴			
Ms Tracey Hayes	Chair	Full Year	Current
Mr Grant Cassidy	Board Member	Part Year	Current
Ms Kate George	Board Member	Full Year	Current
Mr Mark Gray	Board Member	Part Year	Current
Ms Lisa Hewitt	Board Member	Part Year	Current
Mr Steve Margetic	Board Member	Full Year	Current
Delegates of the Secretary	Board Member	Full Year	Current
Mr Justin Mannolini	Board Member	Part Year	Not current
Management			
Mr Chris Wade	Chief Executive Officer	Part Year	Not current
Mr Mark Darrough	Acting Chief Executive Officer / Special Advisor	Part Year	Not current
Mr Craig Doyle	Chief Executive Officer	Part Year	Current
Ms Amanda Copping	Chief Investment Officer / Acting Chief Executive Officer	Part Year	Not current
Mr Nicholas Mant	Chief Investment Risk Officer	Full Year	Current
Ms Jacinta Hynes	Chief Operating Officer	Full Year	Current
Ms Katrina Syrkiewicz	Chief People & Culture Officer	Full Year	Current
Mr Chris Collins	Chief Legal Officer	Part Year	Current
Mr Stephen Land	Acting Chief Investment Officer	Part Year	Current

⁴ Ms Shirley In't veld was appointed to the NAIF Board on 28th Jan 2022 and resigned for personal reasons before attending any meetings and received no remuneration.

There were two additions to KMP's this financial year with the Chief People & Culture Officer and Chief Legal Officer added as KMP's. The other KMP roles have not changed, however there has been some turnover in personnel.

Remuneration

To achieve its business outcomes, as outlined in the Corporate Plan and more broadly through Government direction including the Investment Mandate, 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 Commonwealth Government policies for its statutory agencies.

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.

NAIF's remuneration structure is designed to be competitive and reward high performance while complying with NAIF's regulatory obligations.

The introduction of the Australian Public Service Commission (APSC) Performance Bonus Guidelines

(Bonus Guidelines) in August 2021, outlined principles governing performance bonus use in Commonwealth entities and companies. NAIF engaged an external adviser to recommend a revised remuneration approach compliant with the Bonus Guidance. The PRemCo and Board approved the recommended approach, and the new remuneration structure became effective on 26 May 2022.

All employee's remuneration now consists of fixed annual remuneration only. NAIF's new structure works within the parameters of the APSC Workplace Bargaining Policy.

Fixed Annual Remuneration (FAR)

FAR is comprised of base salary, superannuation contributions and any non-cash benefits.

Factors considered when setting the appropriate FAR for each executive includes market data for comparable roles, complexity of the role, internal relativities, an individual's skills and experience and performance assessments.

NAIF uses the Financial Institutions Remuneration Group (FIRG) data and other relevant Government and market information to provide independent benchmarking in determining appropriate remuneration for roles across the organisation.

NAIF benchmarks remuneration with the aim to position total remuneration competitively against comparable organisations. The guiding principle for remuneration benchmarking is to position total remuneration towards the mid-point of the benchmark for comparable roles in the Australian market while working within the parameters set by the APSC.

Remuneration Governance arrangements

The CEO and Chief People & Culture Officer are accountable for ensuring it rewards employees responsibly, with regards to performance of NAIF, individual performance, statutory and regulatory requirements, and current business norms. Each employee has annual KPI's and half yearly and yearly performance discussions with their manager.

The Board is responsible for ensuring NAIF has coherent policies and practices that fairly and responsibly manage the performance and remuneration arrangements for the CEO and senior executives. 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, are consistent with the NAIF Employee Remuneration Policy.

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.

Board Members

All NAIF Directors are appointed by the Commonwealth Government through the responsible Minister. These appointments are made in accordance with s15 of the NAIF Act. Board Fees for Board Members are set and paid according to the determination of the independent Commonwealth Remuneration Tribunal (the Tribunal),

an independent statutory authority overseeing the remuneration of key Commonwealth officers.

The Tribunal sets annual Chair and Board fees (exclusive of statutory superannuation contributions). Additional fees are payable to those Board Members appointed as members of the NAIF Board Audit and Risk Committee (BARC).

Figure 22: Remuneration Tribunal (the Tribunal) Board and Committee fees (excluding superannuation) for FY21-22

Position	Annual Fee set by the Tribunal	Note
NAIF Chair	\$119,890	
NAIF Board Member	\$59,600	The Delegates of the Secretary are 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 2021 total remuneration for the Chief Executive Officer was \$471,090. In accordance with the Tribunal’s determination the CEO position is not entitled to a Bonus.

FY22-22 Remuneration Information

The following tables details the remuneration paid to NAIF KMPs, senior executives and other highly paid staff in FY21-22.

Figure 23: Remuneration paid to KMP's in FY21-22

	\$
Short-term employee benefits:	
Salary	2,043,462
Bonus	0
Other benefits and allowances (Incl annual leaves)	15,505
Total short term employee benefits	2,058,967
Superannuation	212,274
Total post-employment employee benefits	212,274
Other long-term benefits	0
Long service leave	27,143
Total other long-term benefits	27,143
Termination benefits	0
Total key management personnel remuneration	2,298,384

Figure 23: Remuneration paid to KMP's in FY21-22 (continued)

Name	Position title	Salary	Annual Leave Adjustment	Short-term benefits			Post-employment benefits	Other long-term benefits		Total remuneration	
				Base salary	Variable Remuneration	Other benefits and allowances	Superannuation contributions	Long service leave	Other long-term benefits		Termination Benefits
Tracey Hayes	Chair	119,890	-	119,890	-	-	11,989	-	-	131,879	
Justin Mannolini	Board Member	30,917	-	30,917	-	-	3,092	-	-	34,009	
Grant Cassidy	Board Member	35,913	-	35,913	-	-	3,591	-	-	39,504	
Mark Gray	Board Member	43,550	-	43,550	-	-	4,355	-	-	47,905	
Kate George	Board Member	62,707	-	62,707	-	-	6,271	-	-	68,978	
Lisa Hewitt	Board Member	28,330	-	28,330	-	-	2,833	-	-	31,163	
Stephen Margetic	Board Member	67,854	-	67,854	-	-	4,742	-	-	72,596	
Christopher Wade	CEO	139,564	-19,121	120,443	-	15,505	15,500	-	-	151,448	
Mark Darrough	Acting CEO/ Special Advisor	121,621	7,375	128,996	-	-	18,730	2,004	-	149,730	
Craig Doyle	CEO	9,807	-	9,807	-	-	1,030	-	-	10,837	
Amanda Copping	Chief Investment Officer/ Acting CEO	286,500	4,388	290,888	-	-	34,574	-	-	325,462	
Nicholas Mant	Chief Investment Risk Officer	382,878	20,633	403,511	-	-	38,332	9,630	-	451,473	
Jacinta Hynes	Chief Operating Officer	233,525	9,926	243,451	-	-	23,879	5,834	-	273,164	
Katarina Syrkiewicz	Chief People & Culture Officer	267,556	15,107	282,663	-	-	26,786	6,684	-	316,133	
Christopher Collins	Chief Legal Officer	68,441	5,165	73,606	-	-	6,883	1,403	-	81,892	
Stephen Land	Acting Chief Investment Officer	96,433	4,503	100,936	-	-	9,687	1,588	-	112,211	
Total		\$1,995,486	47,976	\$2,043,462	-	\$15,505	\$212,274	\$27,143	\$-	\$-	\$2,298,384

Figure 24: Remuneration paid to senior executives in FY21-22

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 Bonuses (\$)	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	152,376	-	-	15,543	-	-	-	167,919
\$470,001 – \$495,000	1	333,622	-	-	26,966	-	-	121,931	482,519
	2								

Figure 25: Remuneration paid to other highly paid staff in FY21-22

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 Bonuses (\$)	Average Other benefits and allowances (\$)	Average Superannuation contributions (\$)	Average Long service leave (\$)	Average Other long-term benefits (\$)	Average Termination Benefits (\$)	Average total remuneration (\$)
\$245001 – \$270000	1	224,861	-	-	20,683	6,153	-	-	251,696
\$295001 – \$320000	1	278,214	-	-	28,224	7,659	-	-	314,098
\$320001 – \$345000	3	297,039	-	-	29,185	7,302	-	-	333,526
	5								



Image: Kidston Pumped Storage Hydro Project. Photo: Genex Energy

Financial Statements

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

In our opinion, the attached financial statements for the year ended 30 June 2022 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.

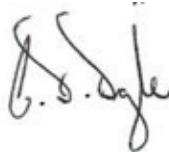
In our opinion, at the date of this statement, there are reasonable grounds to believe that the Northern Australia Infrastructure Facility (NAIF) will be able to pay its debts as and when they fall due.

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



Tracey Hayes
CHAIR

20th September 2022



Craig Doyle
CHIEF EXECUTIVE OFFICER

20th September 2022



Sonia Kammel
CHIEF FINANCIAL OFFICER

20th September 2022

Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

To the Minister for Northern Australia

Opinion

In my opinion, the financial statements of the Northern Australia Infrastructure Facility ('the Entity') for the year ended 30 June 2022:

- (a) comply with Australian Accounting Standards – Simplified Disclosures 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 2022 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 2022 and for the year then ended:

- Statement by Board Members, Chief Executive Officer and Chief Financial Officer;
- Statement of Profit and Loss and Other Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- 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 – Simplified Disclosures 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.

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



Mark Vial
Executive Director

Delegate of the Auditor-General

Canberra

23 September 2022

Statement of Profit or Loss and Other Comprehensive Income

For the period ended 30 June 2022

*commentary below

	Note	2022 \$'000	2021 \$'000	Original Budget \$'000
NET COST OF SERVICES				
Expenses				
Employee Benefits	1.1A	8,648	7,074	14,484
Suppliers	1.1B	5,453	4,729	4,483
Depreciation on right of use assets	2.2A	303	88	-
Depreciation on Plant and Equipment	2.2A	15	-	-
Finance costs	1.1C	9	-	-
Total expenses		14,428	11,891	18,967
NET COST OF SERVICES				
		(14,428)	(11,891)	(18,967)
Revenue from Government	1.2A	18,967	13,187	18,967
Total comprehensive income/(loss) attributable to the Australian Government		4,539	1,296	-

*The original budget for the 2021-22 financial year shown here is the budget presented to Parliament in the 2021-22 Portfolio Budget Statements. Some of the initiatives in this budget have been delayed and the costs will come in next financial year.

The gradual ramp up in the new mandate expansion along with a staged recruitment program for vacant and new positions which were also extended by the commitment to recruiting in the north has resulted in employee benefits being behind budget for this financial year.

Suppliers are higher than budget as with the delay of staff hire there have instead been contractors and consultancy costs.

In 2021-22, \$14.428 million of the \$18.967 million budget was expensed leaving an underspend of \$4.539 million. At the date of these accounts, no decision had been made by Government as to whether the underspend will be approved to carry forward in 2022-23.

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

Statement of Financial Position

For the period ended 30 June 2022

*commentary below

	Note	2022 \$'000	2021 \$'000	Original Budget \$'000
ASSETS				
Financial assets				
Cash	2.1A	11,166	4,893	3,188
Other receivables	2.1B	184	115	134
Total financial assets		11,350	5,008	3,322
Non-financial assets				
Right Of Use Assets	2.2A	2,127	-	-
Plant and Equipment	2.2A	217	-	-
Other non-financial assets	2.2B	28	7	12
Total non-financial assets		2,372	7	12
Total assets		13,722	5,015	3,334
LIABILITIES				
Payables				
Suppliers	2.3A	3,613	1,331	1,370
Other payables	2.3B	175	110	-
Total payables		3,788	1,441	1,370
Interest bearing liabilities				
Lease liabilities	2.4A	1,904	-	-
Total interest bearing liabilities		1,904	-	-
Provisions				
Other provisions	2.5A	275	-	-
Employee provisions	3.1A	728	1,086	1,439
Total provisions		1,003	1,086	1,439
Total liabilities		6,695	2,527	2,809
Net assets		7,027	2,488	525
Equity				
Retained surplus		7,027	2,488	525
Total equity		7,027	2,488	525

NAIF's increase in retained surplus for 2021-22 is primarily linked to the expanded mandate. The expanded mandate and associated funding are being activated in line with the operationalisation of these initiatives using a measured and considered methodology. This has resulted in timing differences associated with resourcing, capital outlays and related activities, leading to a delay in expensing the funding for these initiatives. Partly explained by timing differences associated with recruitment and related activities being delayed.

During the year NAIF signed leases for accommodation space in Cairns and Sydney, which resulted in right of use assets and lease liabilities. This was not budgeted for as NAIF was paying rent on a monthly basis at the time of the budget.

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

Statement of Changes in Equity

For the period ended 30 June 2022

	2022 \$'000	Retained Surplus	
		2021 \$'000	Original Budget \$'000
RETAINED SURPLUS			
Opening balance as at 1 July	2,488	1,192	525
Comprehensive income			
Surplus for the period	4,539	1,296	-
Total comprehensive income/(loss)	7,027	2,488	525
Closing balance as at 30 June	7,027	2,488	525

Budget figures assumed all of the funding for this year would be spent in the 2021-22 financial year, whereas due to the timing of the ramp up in the new mandate expansion an amount will need to be rolled into the 2022-23 financial year.

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

Cash Flow Statement

For the period ended 30 June 2022

	2022 \$'000	2021 \$'000	Original Budget \$'000
OPERATING ACTIVITIES			
Cash received			
Receipts from Government	18,967	13,208	18,967
Total cash received	18,967	13,208	18,967
Cash used			
Employees	8,941	7,074	14,418
Suppliers	3,261	4,784	4,549
Total cash used	12,202	11,858	18,967
Net cash from operating activities	6,765	1,350	-
INVESTING ACTIVITIES			
Cash used			
Purchase of property, plant and equipment	232	-	-
Total cash used	232	-	-
Net cash used by investing activities	(232)	-	-
FINANCING ACTIVITIES			
Cash used			
Principal payments of lease liabilities	260	92	-
Total cash used	260	92	-
Net cash used by financing activities	(260)	(92)	-
Net increase/(decrease) in cash held	6,273	1,258	-
Cash at the beginning of the reporting period	4,893	3,635	3,188
Cash at end of the reporting period	11,166	4,893	3,188

Budget figures assumed all of the funding for this year would be spent in the 2021-22 financial year, whereas due to the timing of the ramp up in the new mandate expansion and the delay in hiring of staff cash expenditure will need to be rolled into the 2022-23 financial year.

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

Northern Australia Infrastructure Facility - Overview

For the period ended 30 June 2022

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 - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities 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

The transition from Reduced Disclosure Requirements to Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities effectively on or after 1 July 2021.

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).

Property, plant and equipment

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).

Depreciation is calculated using the straight-line method over the asset's estimated useful economic life.

The useful lives of major depreciable asset categories are as follows:

Right-of-use assets	Unexpired lease term
Furniture and Fittings	10 years
Equipments	5 years

Overview (continued)

For the period ended 30 June 2022

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 leases office space in Cairns and Sydney on 18th December 2021. NAIF recognised a right-of-use (ROU) assets of A\$2,155,000 of which A\$4,000 is costs and a lease liability of A\$2,151,000.

The lease liability was initially measured at the present value of scheduled future lease payments, discounted using the Australian Government's incremental borrowing rate as prescribed by the Department of Finance of 0.73%. The ROU asset was initially measured at cost, which is the initial amount of the lease liability increased by initial direct costs, prepaid lease payments and estimated costs to restore, and reduced by lease incentives received.

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 2022 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.

Events after the reporting period

No events were reported after the reporting period.

Notes to and forming part of the Financial Statements

For the period ended 30 June 2022

Financial Performance

Note 1.1 Expenses

	2022 \$'000	2021 \$'000
1.1A Employee Benefits		
Wages and salaries	7,317	6,047
Superannuation defined contribution plans	764	537
Leave and other entitlements	289	156
Separation and redundancies	278	334
Total employee benefits	8,648	7,074
Accounting policies for employee related expenses is contained in the Overview section.		
1.1B Suppliers		
Professional fees	1,536	1,040
Consultants	912	901
Services provided by Export Finance Australia	701	882
Contractors	582	441
Computer and communication costs	586	464
Property costs	355	371
Travel	339	269
Training	171	97
Advertising and promotional costs	75	89
Insurance	42	39
Other	154	136
Total suppliers	5,453	4,729
1.1C Finance costs		
Interest on lease liabilities	9	-
Total finance costs	9	-

Notes to and forming part of the Financial Statements (continued)

For the period ended 30 June 2022

Note 1.2 Revenue

	2022 \$'000	2021 \$'000
1.2A Revenue from Government		
Department of Industry, Science, Energy and Resources		
Corporate Commonwealth entity payment	4,740	13,187
Department of Infrastructure, Transport, Regional Development and Communications		
Corporate Commonwealth entity payment	14,227	-
Total revenue from Government	18,967	13,187

Funding received or receivable from the Department of Infrastructure, Transport, Regional Development and Communications (DITRDC), 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 moved to operate under the Department of Infrastructure, Transport, Regional Development and Communications (DITRDC). There was 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 were officially transferred to DITRDC. The funding amounts did not change as DITRDC took over the funding obligation.

Notes to and forming part of the Financial Statements

For the period ended 30 June 2022

Financial Position

Note 2.1 Financial assets

	2022 \$'000	2021 \$'000
2.1A Cash		
Cash at bank	11,166	4,893
Total cash	11,166	4,893
Cash is held on deposit and is available at call		
2.1B Other Receivables		
Goods and services tax	184	115
Total other receivables	184	115

Note 2.2 Non-Financial assets

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

	Right of Use Assets \$'000	Furniture and Fittings \$'000	Office Equipment \$'000	Total \$'000
Gross Value				
Balance as at 30 June 2021	88	-	-	88
Additions	2,430	139	93	2,662
Disposals	(88)	-	-	(88)
Gross Value as at 30 June 2022	2,430	139	93	2,662
Accumulated Depreciation				
Balance as at 30 June 2021	88	-	-	88
Depreciation recovered on disposal	(88)	-	-	(88)
Depreciation charged for additions	303	6	9	318
Depreciation as at 30 June 2022	303	6	9	318
Net book value as at 1 July 2021	-	-	-	-
Net book value as at 30 June 2022	2,127	133	84	2,344
Total as at 30 June 2022 represented by				
Gross book value	2,430	139	93	2,662
Accumulated depreciation	303	6	9	318
Total as at 30 June 2022	2,127	133	84	2,344

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

Notes to and forming part of the Financial Statements (continued)

For the period ended 30 June 2022

	2022 \$'000	2021 \$'000
2.2B Other non-financial assets		
Prepayments	28	7
Total other non-financial assets	28	7

Note 2.3 Payables

2.3A Suppliers		
Trade creditors and accruals	3,613	1,331
Total suppliers	3,613	1,331

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 (2021: 30 days).

2.3B Other Payables		
Salaries and wages	159	101
Superannuation	16	9
Total other payables	175	110

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 Lease liabilities		
Lease liabilities	1,904	-
Total lease	1,904	-

Future lease payments analysis

Not later than 1 year	446	-
Later than 1 year and not later than 5 years	1,488	-
Total lease payments	1,934	-

Future lease payments based on actual and not the net present value as in the lease liability account. Total cash outflow for leases for the year ended 30 June 2022 was \$259,000 (2021: \$92,000). Refer Overview section for accounting policy on leases.

Note 2.5 Other provisions

	Provision for restoration \$'000
2.5A Other provisions	
Balance as at 30 June 2021	-
Additional provisions made	275
Total at 30 June 2022	275

Notes to and forming part of the Financial Statements (continued)

For the period ended 30 June 2022

People and Relationships

	2022 \$'000	2021 \$'000
3.1A Employee Provisions		
Leave	580	495
Other	148	591
Total employee provisions	728	1,086

3.2 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, Chief People and Culture Officer, Chief Legal 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:

	2022 \$	2021 \$
Short-term employee benefits	2,058,967	1,546,594
Post-employment benefits	212,274	124,184
Other Long-term employment benefits	27,143	21,706
Termination benefits	-	-
Total key management personnel remuneration expenses	2,298,384	1,692,484
Total number of key management personnel that are included in the above table are:	16	11

The number of key management personnel at 30 June 2022 are 12 positions comprising the Chief Executive Officer, 6 Board Members, Chief Investment Officer, Chief Investment Risk Officer, Chief Operating Officer, Chief People and Culture Officer, and Chief Legal Officer. There have been two positions added to KMPs compared to the prior year. The numbers that hold this positions vary depending on how many positions had departures and new starters within the year.

Short-term employee benefits include salary, annual leave, 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.

Notes to and forming part of the Financial Statements (continued)

For the period ended 30 June 2022

3.3 Related Party Relationships

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 through an SLA with Export Finance Australia allowing access to resources across ITC and Finance functions. 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.

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 other material related party transactions to be separately disclosed.

Notes to and forming part of the Financial Statements

For the period ended 30 June 2022

Note 4 Remuneration of external auditors

	2022 \$'000	2021 \$'000
Other services	-	-
An audit or review of the annual report	67	60
Total audit remuneration	67	60

Northern Australia Infrastructure Facility's auditor is the Australian National Audit Office (ANAO).

Notes to and forming part of the Financial Statements

For the period ended 30 June 2022

Other Information

Note 5 Aggregate assets and liabilities

	2022 \$'000	2021 \$'000
Assets expected to be recovered in:		
No more than 12 months	11,929	5,015
More than 12 months	1,793	-
Total assets	13,722	5,015
Liabilities expected to be settled in:		
No more than 12 months	4,992	2,317
More than 12 months	1,703	210
Total liabilities	6,695	2,527
Total aggregated assets and liabilities	7,027	2,488



Image: Kidston pumped hydro project. Photo courtesy of Genex Energy.

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
s 17BE(a)	Details of the legislation establishing the body	Corporate Governance	34
s.17BE(b)(i)	A summary of the objects and functions of the entity as set out in legislation	Transforming the north	4
s17BE(b)(ii)	The purposes of the entity as included in the entity's corporate plan for the reporting period	Investing for Impact	2
s.17BE(c) – (f)	The annual report must provide details of: <ul style="list-style-type: none"> • The name and title of the responsible Ministers 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 - Accountability - Ministerial Directions - Not applicable - Not applicable	34 36
s.17BE(g)	The annual report must include NAIF's Annual Performance Statements.	Annual Performance Statement	26
s.17BE(h) – (i)	The annual report must detail any significant issues reported to the Minister.	Corporate Governance - Legislative Reporting	36
s.17BE(j)	The annual report must detail particulars of the Board.	Board - Board Profiles and Photos	44
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 - Organisational structure and location - Workforce demographics	52 54

Section	Subject	Location within Report	Page
s.17BE(m)	The annual report must outline the main corporate governance practices of NAIF.	Corporate Governance	34
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 - Legislative Reporting	35
s.17BE(t)	The annual report must detail any indemnity applied during the financial year.	Corporate Governance - Legislative Reporting	36
s. 17BE(taa)	The following information about NAIF's audit committee (BARC):		
	(a) Reference to the BARC charter;	Corporate Governance	35
	(b) Name of each member of the BARC;	Board	43
	(c) Qualifications of each member of the BARC	Board	44
	(d) Information about each member's attendance at BARC meetings; and	Board	43
	(e) Remuneration of each member of the BARC.	People	58
s.17BE(ta)	Information about executive remuneration	People	55

Part B – Other legislation

Section	Subject	Location	Page
Northern Australia Infrastructure Facility Act 2016			
s. 42	NAIF's annual report must include:	Corporate Governance - Legislative Reporting	36
	(a) Particulars of any changes to the Investment Mandate during the period and their impact on the operations of the Facility;		37
	(b) A summary of the proposal notices given by the Facility to the Minister during the period;		37
	(c) A summary of any rejection notices given by the Minister during the period and the Minister's reasons for giving the notices;		37
	(d) For financial assistance provided by the Facility during the period, a summary of:		37
	(i) the amounts of financial assistance and kinds of Northern Australia economic infrastructure concerned; and		37
	(ii) the kinds of loan contracts used, and their impact features;		37
	(iii) the risks and returns to the Commonwealth.		38
	(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.		39
Environment Protection and Biodiversity Conservation Act 1999			
s.516A (3)(6)	Ecologically sustainable development and environmental performance	Corporate Governance - Environmental Reporting	40
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	55

Abbreviations and Acronyms

Abbreviation / Acronyms	Description
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
FAR	Fixed Annual Remuneration
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
PGPA Rule	Public Governance, Performance and Accountability Rule 2014
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



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www.transparency.gov.au