



NAIF
Northern Australia Infrastructure Facility

2024 — 2026

Corporate Plan

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1. From the Chair

As Chair of the Northern Australia Infrastructure Facility (NAIF), the accountable authority, and on behalf of the Board, I am pleased to present the FY24-25 Northern Australia Infrastructure Facility Corporate Plan (Plan).

This Plan covers the two-year period from FY24-26 as required under clause 35(1)(b) of the *Public Governance, Performance and Accountability Act 2013*. The plan is prepared in accordance with the *Public Governance, Performance and Accountability Rule 2014*.

The Plan covers a two-year period as the *Northern Australia Infrastructure Facility Act 2021* (NAIF Act) allows financing decisions up to 30 June 2026. The statutory review of NAIF operations is scheduled to occur as soon as possible after 1 July 2024. Once NAIF has received direction post that review it will set appropriate strategy and targets to measure NAIF's success in the period post 30 June 2026.

NAIF acknowledges its important role at the heart of the Australian Government's northern Australia agenda, and this Plan sets out our purpose, performance measures and key activities to support that agenda in the years ahead.

Central to NAIF's purpose is to play a unique role in Australia's finance industry, ensuring that strategically important infrastructure projects, which may otherwise have historically been outside of appetite for mainstream commercial lenders, are supported through private-public partnerships.

NAIF does not seek to participate in the day-to-day capital requirements of the business community, but rather, aims to finance projects that will stimulate growth and create long-term benefits for northern Australia.

To date, NAIF has supported a portfolio of ambitious and transformational projects that will grow the northern Australia economy for decades to come. They range from large-scale resource and energy developments to social infrastructure – including universities – to airport upgrades, and agriculture and aquaculture projects.

With \$4.4 billion in Investment decisions to-date which will achieve \$33.8 billion in economic impact and support more than 18,300 jobs, and an ever-growing diverse portfolio of projects in our pipeline, this Plan shows how we will continue to support the economic and social development in the region, and create long-term productivity benefits for producers, businesses and communities in the north.

Every NAIF partnered project is required to have a sustainable and achievable Indigenous Engagement Strategy and we remain committed to further support the expansion and promotion of Indigenous opportunities and outcomes.

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



A stylized, handwritten signature in black ink, appearing to read 'Tracey Hayes'.

Tracey Hayes

CHAIR

Northern Australia Infrastructure Facility

2. Our Purpose

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

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

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

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

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

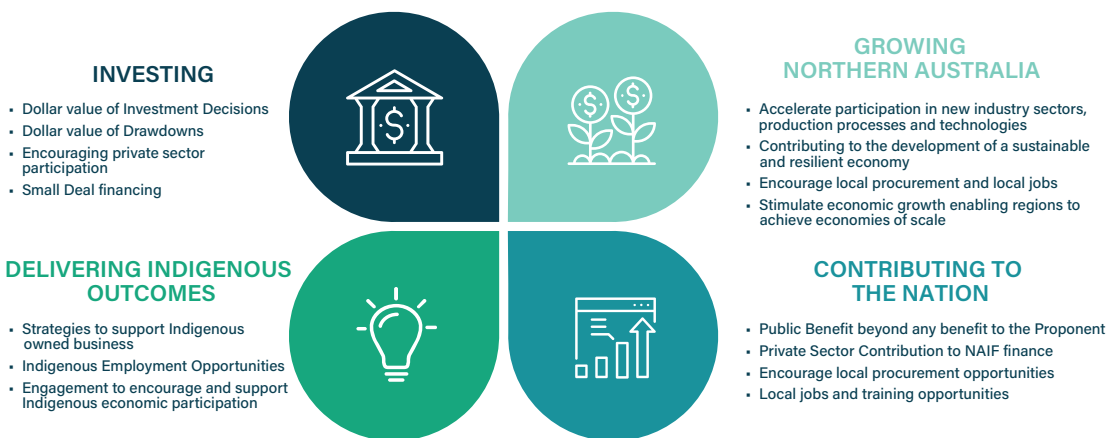
NAIF’s contribution to the Nation is reflected in the public benefit value generated by NAIF funded projects. This includes an analysis of the economic impact, employment opportunities, regional income and business for local suppliers.

We are a Corporate Commonwealth Entity with an independent Board that is the Accountable Authority for NAIF activities. The Board applies commercial discipline in making financing decisions and is also responsible for determining strategy, defining risk appetite and ensuring the proper, efficient and effective performance of NAIF’s functions.

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

Figure 1: NAIF’s Purpose & Performance Measures

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



Investing for Impact

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

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

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

Growing Northern Australia

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

We leverage the region's unique opportunities and resources to invest in projects that deliver employment, training and local procurement opportunities. These projects are designed to stimulate business activity and create an environment conducive to economic growth and new enterprise.

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

Delivering Indigenous Outcomes

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

Led by our dedicated Indigenous Outcomes team, we work with proponents and Indigenous groups to ensure bespoke, sustainable, achievable and measurable opportunities and outcomes are formally addressed in the IES process.

Contributing to the Nation

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

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

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

3. Key Activities

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

Financing transformational opportunities in northern Australia

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

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

Our risk appetite ensures NAIF can deliver innovative and tailored financing products that benefit northern Australia. We can accept a higher level of risk due to our long-term view and focus on public benefit, particularly when considering factors unique to investing in northern Australia including distance, remoteness, and climate.

We encourage private sector participation in financing projects in northern Australia and work with proponents to promote co-financing arrangements. NAIF's early support has led to proponents crowding-in commercial funding, or even achieving full funding from the private sector. When this occurs, and NAIF financing is ultimately not required, we regard this as success because northern Australia still benefits from enhanced economic activity.

Facilitate economic and sustainable growth

NAIF plays a pivotal role in driving northern Australia forward. Our innovative financing assists projects that promote economic growth, benefit the public through job creation, and advance sustainable Indigenous outcomes.

NAIF has to-date supported a portfolio of ambitious and transformational projects that are key drivers of the northern Australia economy. They range from large-scale resource and energy developments to social infrastructure – including universities – to airport upgrades, and agriculture and aquaculture projects.

NAIF's projects in northern Australia stimulate economic growth by attracting private investment, fostering infrastructure development, and supporting various industries. These projects contribute to the region's overall economic prosperity and diversification.

By investing in economic infrastructure development, NAIF helps create both direct and indirect jobs, benefiting local communities and contributing to the region's workforce. Projects supported by NAIF can stimulate innovation, attract investment, and encourage the growth of new industries, fostering entrepreneurship and diversification in the region's economy.

Each project must demonstrate net benefits to the broader economy and community beyond those captured by the proponent. In addition, proponents must consider opportunities for local employment and business for local suppliers. In this way projects will contribute to sustained local growth and contribute to the creation of strong, vibrant, resilient, and sustainable communities.

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

Expand and promote Indigenous opportunities and outcomes

At the forefront of NAIF's priorities is the Indigenous Engagement Strategy (IES), a flagship initiative that further sets NAIF apart as the sole Special Investment Vehicle (SIV) of the Australian Government mandated to holistically advancing Indigenous involvement, procurement, and employment within infrastructure projects across northern Australia.

Each bespoke IES is designed to achieve local Indigenous participation, procurement and employment outcomes based on opportunities created through the projects construction and operational phases. These opportunities must align with the projects scope and duration of the NAIF loan, thereby maximising benefits for the local Indigenous community and ensuring sustainable and achievable outcomes.

The NAIF IES Guideline advises proponents to adopt a place-based approach for each IES, engaging Traditional Owners and the local First Nations community early and throughout the project, in line with the United Nations principle of Free, Prior and Informed Consent.

All IESs must be informed by relevant legal or social determinants of common law landholders, including the Native Title Act, Aboriginal Land Rights Act and heritage legislation such as Indigenous Land Use Agreements, Reconciliation Action Plans, and existing initiatives related to training, education, employment and procurement. As the IES reporting evolves, NAIF will evaluate the potential of an addressable procurement spend target where it may be feasible. This ensures the IES builds on existing arrangements to enhance the benefit of Indigenous communities and northern Australia more broadly.

Through NAIF's dedicated Indigenous Outcomes team, NAIF partners with key Indigenous organisations, government, industry and financiers to advocate and support First Nations economic development across the north. The team also assists proponents and Indigenous stakeholders in the development and delivery of each IES, often facilitating opportunities and engagement with proponents, key Indigenous stakeholders and government agencies.

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

Efficient use of NAIF resources

As a government entity, NAIF strives to ensure prudent stewardship of Commonwealth funding. By making sure NAIF operates effectively within appropriation budget, and over the longer term, is financially sustainable, we can continue facilitating broad based impact within northern Australia. The upcoming Statutory Review will give NAIF the opportunity to be independently assessed on its efficiency and NAIF will be supportive of recommendations that may allow NAIF to facilitate greater positive impact for northern Australia.

As NAIF has grown, it recognises technology as a key enabler to achieve our vision and goals. NAIF is building a digital roadmap which will embrace technology to streamline our operations, enhance productivity, ensure reliable data available to all, increase staff engagement and improve customer experience. NAIF will also explore how artificial intelligence (AI) technology could streamline processes and reduce operational costs. At all times, the focus will be on implementing systems and platforms that are stable and allow us to scale and grow but at the same time remain secure.

NAIF will continue to identify strategic projects and use cross-functional teams, bringing diverse skills and perspectives to solve problems more efficiently. These projects are managed through agile sprints, enhancing overall efficiency and innovation. The sprint framework ensures that tasks are broken down into manageable segments, allowing for rapid iteration, continuous feedback, and quick adjustments. This approach not only accelerates the implementation of strategic initiatives but also aligns to our value of collaboration.

Collaborate and partner to ensure cohesive efforts to advance northern Australia

As the Australian Governments flagship financing agency for infrastructure in northern Australia, NAIF serves as a vital voice for the region in Canberra. NAIF takes pride in representing northern Australia and advocating for its interests, ensuring that the region's priorities and concerns are heard and addressed at the national level.

NAIF recognises that government support and collaboration at all levels is required for the development of northern Australia. As such, NAIF takes a national partnership approach, working closely across Commonwealth Government departments and agencies (including other Specialist Investment Vehicles), state jurisdiction partners in the Northern Territory, Queensland, and Western Australia and local government. This collaborative approach leverages the expertise and resources of multiple stakeholders to create an environment conducive to successful investments and the flourishing of communities. By aligning our objectives with governmental financial policies and frameworks, we ensure compliance, and optimise resource allocation, risk management and innovation, tailored to northern Australia's unique opportunities and challenges.

NAIF's collaboration with other government agencies, formalised through a Memorandum of Understanding (MOUs) with entities such as the National Indigenous Australians Agency (NIAA), Indigenous Business Australia (IBA), and the Indigenous Land and Sea Corporation (ILSC), holds uppermost importance. These partnerships facilitate cohesive efforts toward advancing Indigenous economic empowerment, fostering sustainable development, and ensuring culturally sensitive approaches within infrastructure projects across northern Australia. By pooling resources, expertise, and networks, NAIF and its partners can collectively address the complex challenges and opportunities faced by Indigenous communities, driving meaningful progress and inclusive growth in the region.

Supporting Government Priorities

NAIF plays a crucial role in advancing the Commonwealth's overarching policy objectives, including developing a sustainable and resilient economy, fostering local employment opportunities, improving the lives of Indigenous people and communities, advancing climate change and circular economy principles, investing in renewables, and realising the Government's Critical Minerals Strategy where there is alignment.

As part of the Australian Government's Critical Minerals Strategy, NAIF has earmarked \$500 million of funding to develop critical minerals projects. NAIF has a highly experienced mining investment team and has developed a close relationship with the Critical Minerals Office; and works alongside other Government lenders to provide whole of Government solutions. Many projects supported by NAIF aim to incorporate environmentally friendly technologies, renewable energy sources and sustainable infrastructure designs, contributing to the regions long term environmental and economic sustainability.

In alignment with the Australian Government's priorities on climate action and sustainability, we recognise the importance of Commonwealth climate disclosures and effective management of climate risk. NAIF will ensure transparency and accountability in our environmental impact, contributing to the nation's Net Zero objectives. Our commitment extends to integrating sustainable procurement practices, which prioritise environmentally friendly and resource-efficient products and services, thereby fostering a green supply chain. Furthermore, our strategy for Net Zero operations focuses on reducing carbon emissions through innovative technologies and operational efficiencies, demonstrating our dedication to contributing to Australia's goal of achieving net zero carbon targets.

NAIF supports the Australian government's strategies related to Indigenous engagement, advancement, and reconciliation by financing infrastructure projects that drive economic growth and enhance living standards in Northern Australia. Additionally, NAIF actively seeks opportunities to collaborate with Indigenous communities, fostering economic and social outcomes that are inclusive and respectful of traditional owners and their cultural heritage.

4. Performance Measures

Our key performance measures and targets are aligned with our purpose and mandate and have been designed to provide holistic information on our achievement of outcomes through the delivery of our key activities. They are supported by our overall strategy and risk appetite, as set out and monitored by our Board.

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

Each year the NAIF Board reviews and updates the organisation’s performance measures to reflect the strategy and purpose. For FY2024-25 the Board has further enhanced performance metrics as reflected in the table below. Our performance measures include a mix of types and bases (see Appendix A for further details).

Financing transformational opportunities in northern Australia

Table 2: Our performance criteria

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

What will be measured and reported?	Year			
	2024-25	2025-26	2026-27 ¹	2027-28 ¹
Dollar value of Investment Decisions	>\$700m	>\$700m	TBC	TBC
Methodology: Investments Decisions as documented for the financial year				
Capital deployed (i.e. cumulative drawdowns)	>\$2.5bn	>\$3.0bn	TBC	TBC
Methodology: drawdowns as documented in the portfolio management system				
NAIF loan ratio (private sector contribution to NAIF finance)	<75%	<75%	TBC	TBC
Methodology: average Loan to Project Size ratio across new IDs, as documented for the financial year				

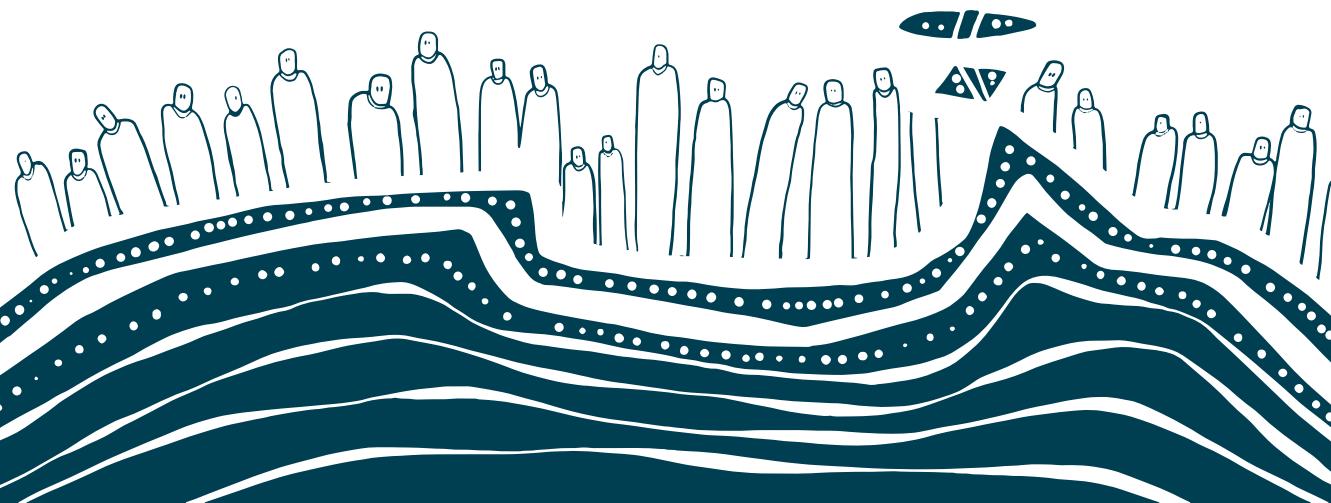
¹FY2026-27 and FY2027-28 are to be confirmed (TBC) as outlined above, the NAIF Act currently prohibits any decisions after 30 June 2026

Facilitate economic and sustainable growth

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

What will be measured and reported?	Year			
	2024-25	2025-26	2026-27 ¹	2027-28 ¹
Public Benefit – Annual dollar value of public benefit from Investment Decisions	>\$4bn	>\$4bn	TBC	TBC
Methodology: track aggregated forecast \$ values for Investment Decisions specific public benefit.				
Job Creation – Annual forecast direct and indirect jobs associated with Investment Decisions	>2,500	>2,500	TBC	TBC
Methodology: total forecast jobs for new Investment Decisions.				

¹FY2026-27 and FY2027-28 are to be confirmed (TBC) as outlined above, the NAIF Act currently prohibits any decisions after 30 June 2026



Artist: Bernard Singleton (c) 2021

Expand and promote Indigenous opportunities and outcomes

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

What will be measured and reported?	Year			
	2024-25	2025-26	2026-27 ¹	2027-28 ¹
Indigenous Strategies	>2 IDs	>2 IDs	TBC	TBC
Methodology: new investment (small loans and/or Investment Decisions) on projects with a significant Indigenous ownership.				
Indigenous Employment Opportunities	>5%	>5%	TBC	TBC
Methodology: annual, average percentage of Indigenous specific jobs across new Investment Decisions.				

¹FY2026-27 and FY2027-28 are to be confirmed (TBC) as outlined above, the NAIF Act currently prohibits any decisions after 30 June 2026

Efficient use of NAIF resources

High level activities	Intended outcomes for northern Australia
<ul style="list-style-type: none"> Cost effective delivery of services Modernise & consolidate outdated technology Cross-functional strategic action sprints Explore advanced automation and AI 	<ul style="list-style-type: none"> Cost effective implementation of NAIF 'as a program' Net (notional) zero cost to government, with net (notional) revenue covering operational expenditure NAIF systems and processes support timely interactions with stakeholders

What will be measured and reported?	Year			
	2024-25	2025-26	2026-27 ¹	2027-28 ¹
NAIF is net zero operational cost to government	>1	>1	TBC	TBC
Methodology: net (notional) revenue divided by operational expenses for the financial year				

Collaborate and partner to ensure cohesive efforts to advance northern Australia

High level activities	Intended outcomes for northern Australia
<ul style="list-style-type: none"> National partnership approach, across Commonwealth/ State/Territory/local government, and other SIVs Active collaboration and education for all northern Australia stakeholders Voice for northern Australia in Canberra 	<ul style="list-style-type: none"> Leveraging the expertise and resources of multiple stakeholders to create an environment conducive to successful investments and the flourishing of communities. Driving meaningful progress and inclusive growth in the region. Ensuring that the region's priorities and concerns are heard and addressed at the national level.

What will be measured and reported?	Year			
	2024-25	2025-26	2026-27 ¹	2027-28 ¹
Effective stakeholder engagement and thought leadership on growth for northern Australia	80%	80%	TBC	TBC
Methodology: Percentage of annual stakeholder survey respondents who rate NAIF's performance as good or better.				
Demonstrate active collaboration with other SIV's, and activities that advance Indigenous economic empowerment	✓	✓	TBC	TBC
Methodology: Record of meetings-round tables-webinars and/or case studies				

Supporting Government Priorities

High level activities	Intended outcomes for northern Australia
<ul style="list-style-type: none"> Aligning NAIF investments to the Commonwealth's overarching policy objectives Contributing to Net Zero and building sustainable practices Tailored Indigenous Engagement Strategies 	<ul style="list-style-type: none"> Contributing to: <ul style="list-style-type: none"> a sustainable and resilient economy fostering local employment opportunities improving the lives of Indigenous people and communities advancing climate change and circular economy principles investing in renewables realising the Government's Critical Minerals Strategy

What will be measured and reported?	Year			
	2024-25	2025-26	2026-27 ¹	2027-28 ¹
Demonstrate alignment of Investment Decisions to Government policy priorities	≥1	≥1	TBC	TBC
Methodology: each investment decision contributes to one or more Government policy priorities as outlined in Schedule 2 of NAIF's Investment Mandate.				
Develop strategies for NAIF operations to meet government priorities, e.g. commitment to Net Zero by 2030 / procurement from Indigenous enterprises.	✓	✓	TBC	TBC
Methodology: record of key milestones achieved, and strategies adopted by Executive Management				

¹ FY2026-27 and FY2027-27 are to be confirmed (TBC) as outlined above, the NAIF Act currently prohibits any decisions after 30 June 2021

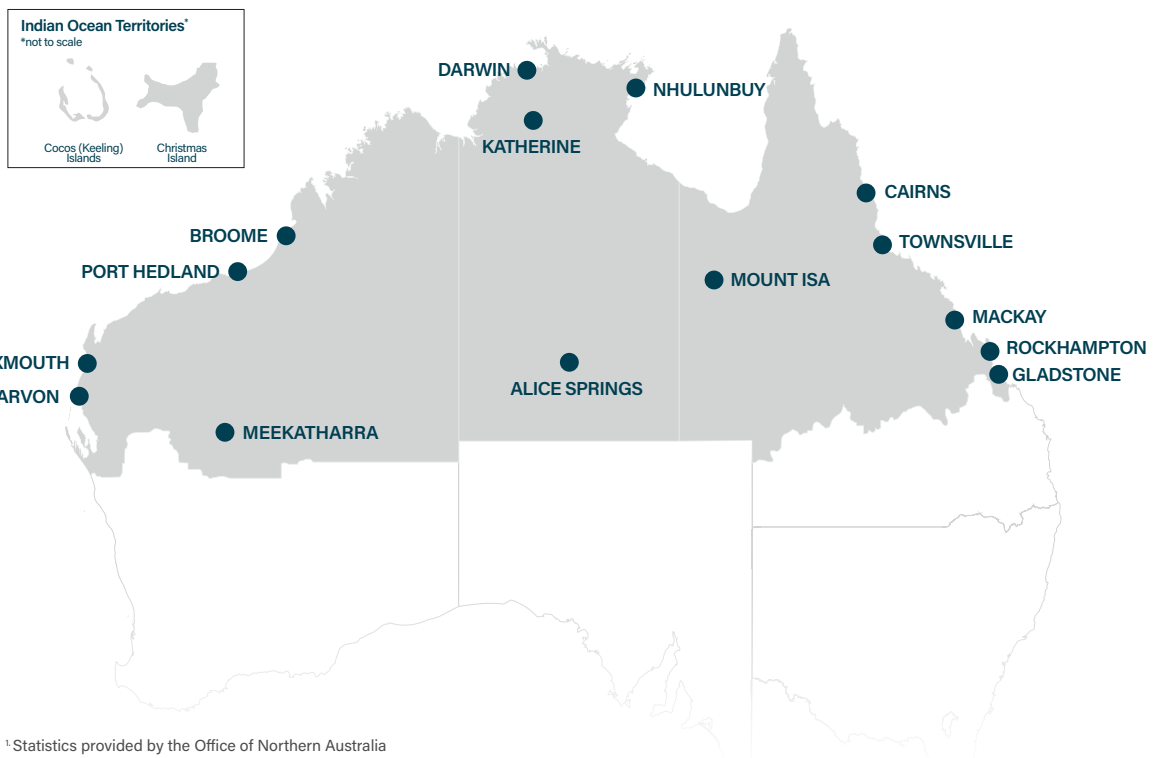
5. Operating Context

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

5.1 Environment

At NAIF, our focus is solely on northern Australia, which includes the Northern Territory, and those parts of Queensland and Western Australia above, and directly below or intersecting, the Tropic of Capricorn, as illustrated in figure 3 below. The territories of Christmas Island and the Cocos (Keeling) Islands, collectively known as the Indian Ocean Territories are also included.

Figure 3: Our environment¹



¹ Statistics provided by the Office of Northern Australia

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

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

Characteristic	Impact on achievement
MACRO AND MICRO ECONOMIC FACTORS	
Fluctuating inflation	Inflation can negatively impact planning certainty and project costs. In many instances, the negative impact of inflation on capital and operating costs are further compounded by the factors unique to investing in northern Australia such as remoteness.
Variability in interest rates	Higher borrowing costs may impact the economic viability of projects causing investment to be deferred.
Volatility in commodity pricing	Volatility in both established and emerging commodity prices, including critical minerals
Labour market challenges	Competition for labour across northern Australia can and will affect projects both in the construction and operational phase.
Regional housing shortage	The shortage of quality and affordable housing in regional areas (which has been exacerbated by a demographic shift out of major cities) makes it harder to attract skilled and key workers, which exacerbates the challenges of labour supply for large and remote projects.
Availability of capital	NAIF does not compete with other financiers, rather it works to encourage their participation. Therefore, if finance from other sources becomes available for a project, this may reduce the level of reported activity by NAIF.
Geopolitical risk	Geopolitical events often present threats in terms of potential disruption to long-term strategy but come with their own idiosyncratic characteristics.
Supply chain and logistic issues	Global supply chain issues are impacting existing NAIF projects as well as those in the pipeline.
REGULATORY FRAMEWORK & GOVERNMENT POLICY	
Changes to NAIF Act / Investment Mandate	A change to NAIF legislation may impact the number of projects that are eligible for financing.
Government Policy	Policy in certain sectors such as coal / hydrogen / carbon capture / critical minerals / net zero 2050, could affect the ability of NAIF to finance otherwise eligible projects.
Federal, State and Territory elections	All three northern jurisdictions will hold elections in FY24-25, which may impact the ability to progress projects due to the caretaker periods pre and post-election limiting decision making. In addition, the Federal election will occur in the financial year with the caretaker period impacting the Ministers consideration period.
Regulatory changes	Regulatory changes may impact on the ability of projects to obtain necessary approvals and for NAIF to lend to certain projects. At the project level, the ability to obtain appropriate government approvals (e.g., environmental) can impact projects viability or timeline.
GEOGRAPHICAL & PROJECT FACTORS	
Northern Australia location	NAIF financed projects encounter unique factors such as distance, remoteness and climate, and in certain instances these factors provide both opportunities and constraints. Climate change related risks including increased variability and intensity of weather may challenge the resiliency of projects, and lead to high insurance costs which can affect project viability.
Unique projects	Due to the complexity, remoteness and / or first mover status of many NAIF financed projects, expertise in planning and management is required to bring a project to the point where it is ready to finance. Activities include business case and feasibility studies, engineering and environmental approvals, commercial development including contracts, offtakes, legal, accounting and tax analysis.

5.2 Capability

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

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

People

We are committed to NAIF operating as an engaged, high-performance organisation that empowers and supports its people. We value diverse skills, backgrounds and experience that strengthens our ability to innovate and deliver on our purpose. Our most recent engagement survey indicated high employee engagement with strong alignment with our purpose and values. We encourage curiosity and foster ingenuity providing opportunity to develop tailored solutions for proponents investing in northern Australia.

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

At NAIF we continue to refine and enhance our attraction and retention strategies, ensuring we reach a diverse range of candidates who have experience living and working in northern Australia as a priority. NAIF remains positioned to anticipate and respond to changes in government policy and market conditions and the needs of proponents and projects investing in northern Australia.

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

Systems and Processes

NAIF continues to embrace innovations in technology, systems and processes to help improve service delivery to stakeholders and support new ways of working and connecting. For the last eight years, NAIF has leveraged some back-office functions of Export Finance Australia, which are provided to NAIF through a service level agreement. As NAIF has grown and matured, a number of corporate service functions have transitioned in-house and we will continue to review our operating model to gain efficiencies.

More broadly, NAIF will continue improving systems and processes in the following areas:

- Digital Transformation - aligned with a business system that is approaching end of life, a program has been initiated to replace NAIF's customer relationship management and deal management system and associated processes to enable sustainable growth, reduce risk, and enhance reporting.
- Information security - NAIF is focused on maintaining resilient information security governance in an environment of increased cyber activity. NAIF will continue to align our processes and systems to best practice cyber security standards including the Australian Cyber Security Centre Essential Eight Strategies to mitigate cyber security incidents.
- Records and information management – uplifting maturity in managing and storing data and records, by providing appropriate technology, processes and governance frameworks to align to good practice.

5.3 Risk Management

Risk Management

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

Framework

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

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

The NAIF Board completes an annual review of the Risk Appetite Statement in consultation with NAIF's responsible Ministers as required by the *Northern Australia Infrastructure Facility Investment Mandate Direction 2023* (Mandate). The Risk Appetite Statement sets the level of risk NAIF is willing to accept in pursuit of our purpose and strategic business imperatives, and applies the appetite to all investment decisions. The Risk Appetite Statement will be updated in FY24-25 to reflect the expanded Mandate requirements. NAIF has a unique appetite for investment risk, specifically a higher risk tolerance in relation to factors that are unique to investing in northern Australia economic infrastructure, including northern Australia's distance, remoteness, and climate.

Risk Maturity

NAIF is continuing to improve risk management activities with the aim of achieving an 'embedded' risk maturity (level 4 out of 5 from Comcover's Risk Management Benchmarking Survey). Operational risk management will be the focus of FY24-25, with targeted engagement of the 1st Line of Defence to embed risk further into operational decision making and change management processes. NAIF will refine our Climate Risk and Opportunity Assessment to support Commonwealth Climate Disclosures in our FY24-25 Annual Report.

Key Risks

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



Image: Voyages

Figure 5: Key Enterprise Risks

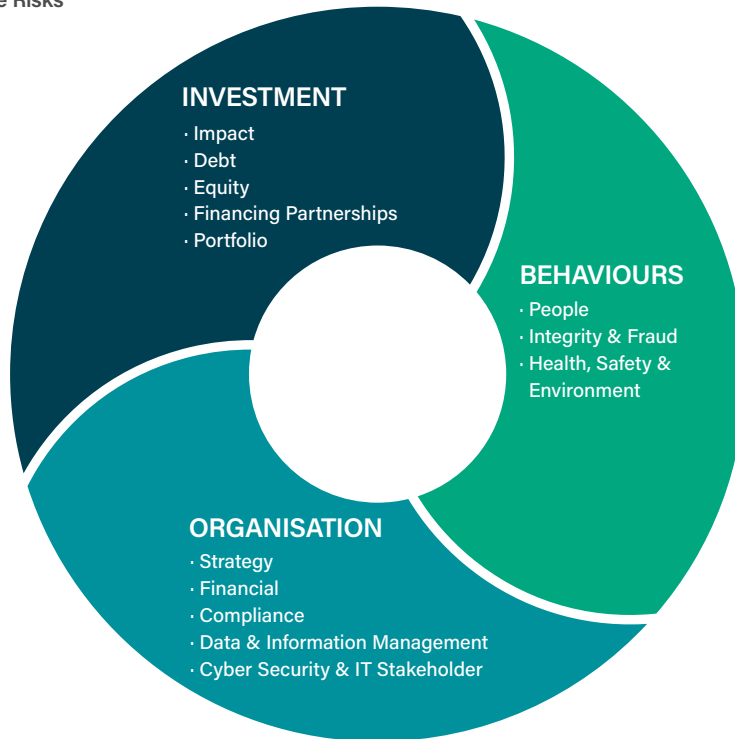


Table 6: How we manage Key Enterprise Risks

INVESTMENT	<ul style="list-style-type: none"> ▪ Comprehensive due diligence process including templates, tools, and technical specialist input to assess each investment opportunity ▪ Project Consultation process with Commonwealth, Commonwealth Departments, State and Territory Governments and project stakeholders to obtain and address feedback on each project ▪ Internal and Board investment decision process to ensure alignment to our mandate objectives and adherence to our risk appetite ▪ Continuous monitoring and reporting of portfolio performance internally and to the Board
ORGANISATION	<ul style="list-style-type: none"> ▪ Annual strategic planning process with Board and management ▪ Monitoring and reporting of business performance against Corporate Plan objectives ▪ Regular independent review of organisational frameworks, policies, processes, risk and controls. ▪ Implementation of robust IT systems and controls to support data and information security ▪ Stakeholder management plans, protocols, and regular engagement activities
BEHAVIOURS	<ul style="list-style-type: none"> ▪ Thorough search, assessment, and selection processes to obtain the right talent ▪ Ongoing investment in training and development ▪ Promotion of NAIF values and monitoring of employee behavior in accordance with the Code of Conduct ▪ Flexibility program to support health and wellbeing

5.4 Cooperation

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

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

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

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

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

Additionally, we collaborate with other Commonwealth Specialist Investment Vehicles (SIVs) on infrastructure' across diverse sectors such as:

- energy and climate
- critical minerals or resources
- housing
- agriculture

This includes partnerships with entities that bring unique expertise and resources, complementing our initiatives and enhancing our ability to drive sustainable development in the region.

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

To enhance coordination and information sharing to generate economic opportunities for Indigenous Australians, we have established a Memorandum of Understanding (MOU) with the National Indigenous Australians Agency (NIAA), Indigenous Business Australia (IBA), and the Indigenous Land and Sea Corporation (ILSC) and working through a (MOU) partnership model with NT Aboriginal Investment Corporate.

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

Key Partners & Stakeholders

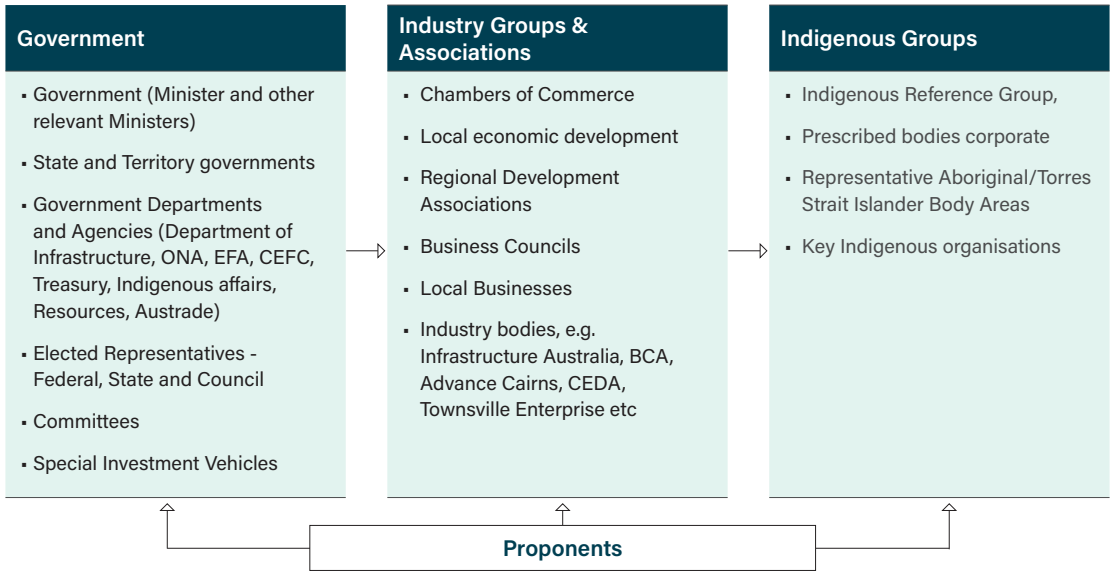


Image: Kimberley Mineral Sands Thunderbird Mineral Sand Project, Wet Concentrate Plant (WCP), West Kimberley, Western Australia.

Appendix A.

Performance reporting framework

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

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

Activity	Number of performance measures reported			Total
	Efficiency	Effectiveness	Output	
Financing transformational opportunities in northern Australia	-	1	2	3
Facilitate economic and sustainable growth	-	-	2	2
Expand and promote Indigenous opportunities and outcomes	-	-	2	2
Efficient use of NAIF resources	1	-	-	1
Collaborate and partner to ensure cohesive efforts to advance northern Australia	-	2	-	2
Supporting Government Priorities	-	1	1	2

Activity	Number of performance measures reported			Total
	Qualitative	Quantitative	Both	
Financing transformational opportunities in northern Australia	-	3	-	3
Facilitate economic and sustainable growth	-	2	-	2
Expand and promote Indigenous opportunities and outcomes	-	2	-	2
Efficient use of NAIF resources	-	1	-	1
Collaborate and partner to ensure cohesive efforts to advance northern Australia	1	1	-	2
Supporting Government Priorities	2	-	-	2

Appendix B.

Index of Corporate Plan Requirements

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

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

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

Requirements	Page(s)
Introduction <ul style="list-style-type: none"> – Statement of preparation – The reporting period for which the plan is prepared – The reporting periods covered by the plan 	3
Purposes	4
Key activities	6
Operating context <ul style="list-style-type: none"> – Environment – Capability – Risk oversight and management, including key risks and its management – Cooperation – Subsidiaries (where applicable) 	13 15 16 18 N/A
Performance <ul style="list-style-type: none"> – Performance measures – Targets for each performance measures (if reasonably practicable to set a target) 	9-12 9-12



Image: ARAFURA RARE EARTHS LIMITED: Nolans Bore Rare Earths Project, Armatjere, Northern Territory.



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