

NAIF Opening Statement – Senate Estimates February 2019

Introduction

Chair, I table an Opening Statement to update you and your colleagues on progress of the Northern Australia Infrastructure Facility (NAIF).

As Committee members you would be aware NAIF's vision is to transform northern Australia through financing infrastructure development.

Investment Decisions

The NAIF Board has reached a significant milestone in making its tenth Investment Decision, six of which were made during this financial year. The aggregate value of NAIF investments (across the ten Investment Decisions and three current conditional approvals), is \$~1.3 bn. The capital value of those projects is \$2.8 bn. Details of NAIF's Investment Decisions to date are:

FY 18-19 Investment Decisions

- Kalium Lakes Limited, WA, up to \$74m
- Commercial in confidence project, WA, up to \$90m
- Commercial in confidence project, Qld, up to \$50m
- Northern Territory Airports, NT, up to \$150m
- Sheffield Resources Limited, WA, up to \$95m
- Pilbara Minerals Limited, WA, up to \$19.5m

FY 17-18 Investment Decisions

- Voyages Indigenous Tourism Australia, NT, up to \$27.5m
- James Cook University, Qld, up to \$98m
- Humpty Doo Barramundi Farm, NT, up to \$7.18 m, with potential up to \$30m over three stages
- Onslow Marine Supply Base, WA, up to \$16.8m

FY17-18 and 18-19 Conditional Approvals

- Commercial in confidence project, up to \$25 million
- Amaroo (Verdant), NT, up to \$160 million
- Genex Power, Queensland, \$450 - \$516 million

The projects supported by NAIF in FY 18-19 reflect NAIF's mandated preference for a diversified portfolio by:

- industry including transport (roads and airports), resources (mineral sands and sulphate of potash) and others; and
- geographic spread with four in WA and one in each of the NT and Qld.

Those FY 18-19 projects are forecast to:

- generate around 1,740 jobs (during construction) and 420 (during operations) in addition to the indirect jobs created;
- deliver significant quantifiable net public benefit beyond the proponent, forecast to exceed \$1bn; and
- lead to meaningful change in Indigenous employment, participation and procurement including Sheffield Resources commitment to increase Aboriginal participation to 40 percent of the workforce in the first eight years of operation, and to grow Aboriginal

business content from a minimum of \$5 million/year from year five of operations; a commitment by Northern Territory Airports to increase the permanent Indigenous workforce to 10%, and provision of assistance by Kalium Lakes to Indigenous applicants through recruitment processes, as well as on the job training, mentoring and up-skilling to improve capacity and retention rates.

NAIF continues to work with our northern Australian jurisdictions and proponents to progress projects to signing, financial close and construction.

Pipeline Due Diligence phase

As at 18 February 2019, a total of 24 projects is currently in NAIF's due diligence phase. A total of thirteen of these projects are in Western Australia, seven in Queensland and four in the Northern Territory.

Reflecting the broad range of sectors to which NAIF can provide loans, projects currently in due diligence range from energy generation, agriculture and manufacturing, tourism/social infrastructure, resources and transport.

Examples of projects announced as having progressed to the due diligence phase include infrastructure to support resource and processing projects such as: Agrimin Limited, Venturex Resources Limited and EcoMag Limited.

Another example of a project that NAIF is working with, and is in the due diligence phase, is Charles Darwin University (CDU) on a potential loan to help boost education facilities in Darwin's CBD through the establishment of a new campus including teaching and research facilities. The project forms part of the Darwin City Deal announced by the Prime Minister, the Hon Scott Morrison MP, on 16 November 2018.

The year ahead

My update today demonstrates the momentum of NAIF's investment.

NAIF looks forward to the remainder of FY 2018-19 and the opportunities to further deliver on the NAIF's Investment Mandate and its important objectives contributing to the transformation of Northern Australia.

Thank you.