

About the Northern Australia Infrastructure Facility (NAIF)

NAIF works with project proponents to encourage and ensure that NAIF's financial support will help bring a positive impact to local communities, provide positive Indigenous outcomes, and support the region and northern Australia as a whole.



NAIF Key Facts

- NAIF has to date supported 25 projects across northern Australia, with investment worth \$2.9 billion, forecast to generate around \$9.4 billion in economic benefit, and supporting around 9,000 jobs.
- Since inception, NAIF's offers of funding have been spread across the north, with \$1.1 billion committed to Western Australian projects, \$1 billion to Queensland projects and \$697 million to Northern Territory projects.
- Importantly, 19 loan agreements worth a combined \$1.9 billion have contractually closed – a key point of economic enablement - and 11 projects have reached financial close.
- Since March 2020 NAIF has made 14 investment decisions worth \$1.7 billion. 11 projects have reached contractual close between March 2020 and March 2021, worth \$1.3 billion.

Indigenous Engagement

- All proponents applying for NAIF financing are required to provide an **Indigenous Engagement Strategy (IES)** which set out objectives for participation, procurement and employment. Positive examples of IES outcomes achieved to date include at **Voyages Indigenous Tourism Australia**, **Onslow Marine Support Base** and **Humpty Doo Barramundi**.
- A Memorandum of Understanding has been signed between NAIF, Indigenous Business Australia and the Indigenous Land and Sea Corporation to explore development opportunities.

NAIF Act and Mandate Change

The Australian Government has introduced legislation to Parliament proposing changes to NAIF which will make NAIF more flexible, increase its risk appetite and widen the scope of projects eligible for NAIF funding. These changes will provide NAIF:

The ability to lend faster

- NAIF will have the option to lend directly to project proponents in certain circumstances without reference to the states.
- This change also permits NAIF to establish on-lending partnerships with local financiers to improve access to NAIF finance for smaller project proponents.

Expanding eligibility

- **The ability to take non-controlling investment positions in projects**, with an overall investment cap on equity of \$500 million (10 per cent of NAIF's total \$5 billion investment fund)
- NAIF was previously restricted to funding physical construction works only. The reforms will make NAIF finance available to additional elements of infrastructure construction, such as equipment purchases or leasing, training, and the expansion of existing business operations.
- The definition of public benefit used by the NAIF will also change to include factors such as jobs, regional income, opportunities for local suppliers, and the involvement of Indigenous businesses and communities. The new definition of public benefit will simplify the application process for projects applying for NAIF finance.
- The definition of northern Australia will be extended to include the Shire of Ngaanyatjaraku in Western Australia.

Increased risk appetite

The changes include removing the prohibition against the Commonwealth assuming the majority of risk in any project.