

SENATE ESTIMATES, FEBRUARY 2022, NORTHERN AUSTRALIA INFRASTRUCTURE FACILITY (NAIF)

NAIF OPENING STATEMENT

Thank you for the opportunity to provide an update on the activities of the Northern Australia Infrastructure Facility (NAIF).

I am Amanda Copping, Acting Chief Executive Officer of NAIF.

NAIF's Investment Portfolio is increasing

- The total value of NAIF's investment commitments stands at \$3.4 billion.
- These projects are forecast to contribute over \$25 billion of public benefit to the northern Australian economy, which is a multiplier of 7.3 for every NAIF loan dollar committed. The projects are also forecast to support more than 13,000 jobs (construction and operational phases).
- The value of NAIF's Investment Decisions by jurisdiction is:
 - \$1.2 billion committed for Queensland projects,
 - \$760 million committed for Northern Territory projects,
 - \$1.4 billion committed for Western Australian projects.
- NAIF has reached contractual close on more than \$2.2 billion of financings. Contractual Close is the critical point of economic enablement because this is when proponents have the confidence to start project design and construction, driving employment and economic growth.
- Since my last appearance before the Committee (28 October 2021) the following NAIF Investment Decisions have been made by the NAIF Board and announced by the Minister for Northern Australia:
 - A NAIF loan of \$160m to Pilbara Ports Authority for the development of critical infrastructure to support the Perdaman Urea Plant. The project includes a new multi-user bulk export wharf at the Port of Dampier.

- A NAIF loan of up to \$95m to WaterCorp for the development of critical infrastructure to support the Perdaman Urea Plant including the expansion of the Burrup seawater supply and brine disposal scheme.
- A NAIF loan of up to \$140m to Hastings Technology Metals Limited to fund the development of the Yangibana Rare Earths project which comprises the mine site located in the Gascoyne region of Western Australia and a hydrometallurgical plant located in Onslow, Western Australia. The Project will produce up to 15,000 tonnes of mixed rare earths carbonate, of the type used to manufacture magnets, over the 14.25 years mine life.
- A NAIF loan of up to \$50m to the Northern Territory Government via the Northern Territory Local Jobs Fund. These funds will then be on-lent to smaller proponents in the Northern Territory to fund growth capital expenditure. The transaction has been made possible by the reforms to NAIF which passed the Senate in May 2021.

NAIF reforms are being implemented

Since my last appearance before the Committee, the following events have occurred, illustrating the implementation of the reforms to NAIF:

- **Increase of allocation to NAIF by an additional \$2 billion:** On 25 January 2022, the Minister for Northern Australia announced an additional \$2 billion allocation to NAIF to support our work to bring economic development to northern Australia.
- **Increase of NAIF's footprint:** The Minister for Northern Australia has announced that infrastructure projects in the Christmas Island and Cocos (Keeling) Islands, collectively known as the Indian Ocean Territories, will soon be eligible to apply for NAIF funding.
- **Expanded support for small and medium size business:** NAIF has announced a \$50m loan to the Northern Territory Local Jobs Fund. These funds will then be on-lent to smaller proponents in the Northern Territory to fund growth capital expenditure.

NAIF projects are achieving key milestones

Since NAIF's last appearance, a number of NAIF-supported projects have reached key milestones:

- Construction of underground works at the 250MW Kidston Pumped Storage Hydro Project (Genex Power): NAIF loan \$610 million. The company advises that the project is on schedule for first generation in Q4 2024.
- Kalium Lakes Beyondie Sulphate of Potash Project: construction completed: NAIF loan \$74 million.
- 60 MW Alinta Energy Chichester Hub Solar Farm in the Pilbara region: NAIF loan \$90 million. The project commenced operations late last year. NAIF was an early supporter of the project and we congratulate all parties on building a benchmark renewable energy project in the Pilbara. Alinta reports that a total of \$4.7 million worth of contracts were awarded to Indigenous owned enterprises during construction.
- Financial Close on the Olive Downs Steelmaking Coal Project: (Pembroke Resources) NAIF loan \$175 million. The project is forecast to have an economic impact to the Bowen Basin region in Queensland of \$6.2 billion. The project is forecast to generate up to 700 jobs during initial construction and more than 1,000 jobs once at production. First draw down of the loan is expected in late 2022.
- Construction of a number of NAIF supported projects continues to ramp up including:
 - Strandline Resources Coburn project (NAIF loan \$150 million): A company update of 17 January stated 50% construction completed. First production scheduled for December quarter 2022.
 - James Cook University student accommodation (NAIF loan \$46 million)
 - Charles Darwin University (NAIF loan \$151.5 million)
 - Alliance Airlines Facility at Rockhampton construction commenced (NAIF loan \$30 million)

Drawdown

Total drawdown as of 31 January 2022, is over \$585 million.

The total drawdown consists of:

- Queensland \$263.6 million
- Northern Territory \$104.9 million
- Western Australia \$216.8 million

Pipeline

NAIF has a diverse pipeline, both in terms of industry sector and jurisdiction (NT, QLD, WA).

There are currently 29 projects in due diligence with NAIF with a potential loan value of around \$4.8 billion. By jurisdiction these are:

- 4 projects in the Northern Territory
- 13 projects in Queensland
- 9 projects in Western Australia
- 3 cross-jurisdictional projects.

We will update the Committee on the progress of these projects through our pipeline at future Estimates appearances.