

NAIF Opening Statement – Senate Estimates 26 October 2017

Introduction

- Thank you Chair and good evening Senators.
- It is a pleasure to be able to provide you with an update on the activities of NAIF.
- As you know NAIF is mandated to contribute to the growth in the economy and population of northern Australia.
- Our focus on public benefit and growth, and encouraging private sector and Indigenous involvement in northern Australia, are key differentiators from other lenders.

Investment Decision

- I am pleased to advise that the NAIF Board made its first Investment Decision last month regarding the Onslow Marine Support Base Project in Western Australia. This decision has now been published online.
- The Board proposes to offer financial assistance of around \$16.8m. The Deputy Prime Minister has a period to consider that proposal notice. A rejection notice has not been issued.
- This project will increase the capacity of the Onslow Marine Support Base. It will open up regional and industry opportunities in the Northern Carnarvon Basin region of Western Australia. It will keep business in northern Australia that would otherwise go offshore.
- Over the 10-year life of the loan there is a forecasted direct economic benefit of over \$100m. This includes over 220 job opportunities.
- The NAIF's first Investment Decision is a significant milestone and demonstrates extremely strong progress given NAIF was only established on 1 July 2016. As you would know it can take two to three years, or even longer to reach financial close on infrastructure projects, so to reach this point in just over a year is a great achievement and a credit to the talented team of financiers at the NAIF.
- The Decision shows that the NAIF Board is flexible in the threshold amount for an investment.
- It also demonstrates that NAIF's processes have been tested and are working well, which gives all potential proponents and stakeholders confidence in dealing with the NAIF.
- Financial assistance to this project is subject to a number of conditions including the agreement of the Western Australian Government and this has not yet been obtained. The team continues to work closely with the Western Australian Government to finalise arrangements.

Pipeline

- NAIF's pipeline of potential projects also continues to grow. Our list of potential investments now includes 140 enquiries - a 20 percent increase since our last appearance at the start of June.
- Sixty-three of those are currently active, meaning the team is in frequent communication with proponents regarding their progress.
- There are currently 10 projects in the due diligence and execution phases. This is a 150 per cent increase since our last appearance at this Committee.
- These 10 projects are across all three of the northern jurisdictions: two in Northern Territory; three in Western Australia; and five in Queensland.
- The 140 inquiries include projects in electricity generation including renewables; transport; resources; tourism; Agriculture; water infrastructure, communications and gas pipelines.

Budget 2016-17

- NAIF's operating budget was around \$2.4 million under our budget allocation and the ANAO, NAIF's external auditor, has issued an unmodified audit opinion for NAIF's 2016-17 financial statements.

Annual Report

- The inaugural NAIF Annual Report was tabled on Monday 23 October 2017.
- The report covers these and other highlights during the first 12 months of the NAIF's operation to 30 June 2017.
- We remain committed to the development of infrastructure to assist northern Australia, its businesses and its resident and visitor communities.
- We are excited about what the next 12 months will bring and look forward to announcing more opportunities to build the country's north.