

Infrastructure, Transport, Regional Development, Communications and the Arts

Committee Inquiries Question on Notice

Joint Select Committee on Northern Australia

Inquiry into Northern Australia Workforce Development

IQ23-000084

Division/Agency: DIV - Partnerships and Projects

Hansard Reference: Spoken, Page No. 55-56 (31 March 2023)

Topic: NAIF - Breakdown Finance applications by Industry

Senator Susan McDonald asked:

Senator McDONALD: Thank you. You've got an important job in that place. Mr Doyle, as the CEO of NAIF, I want to talk to you about the pipeline of investment that you have been considering. Are you able to breakdown the finance applications by industry, by sector, to give us a sense of where it is that proponents are coming from saying that they're having a problem accessing finance and subsequently they're coming to the NAIF?

Mr Doyle: We've got the numbers broken down. Can you hear me okay?

Senator McDONALD: We can, yes. You've just been turned up; you were a bit soft.

Mr Doyle: That's the first time anyone's ever said that about me! I hope that's in the minutes.

Senator McDONALD: It's been recorded!

Mr Doyle: Thank you! It changes, as you would know, all the time. Critical minerals, rare earths, are something in the recent times that are quite strong coming through our pipeline right now. As you would know, we've been very strong in the university sector, which goes a little bit to the workforce development side around student accommodation at JCU or in Townsville innovation complexes. So I think that's a good question. It's been mentioned before today and in some of the submissions around agriculture. We always get some of them coming through. They are hard. They're difficult, and they typically get into the start of our pipeline and then sometimes there's a little bit of a struggle around the skills base to present that in a way to move through and the equity side in terms of [inaudible].

I can take on notice our current pipeline by sector. I've got the numbers for you on what we've committed up to the \$4 billion. I can give you that now. The pipeline table I can take on notice and give you that in terms of what it is today. I think it was 92 projects in our pipeline as of a week ago. For all of those requested NAIF loans we'd need \$9.8 billion in total. There was a total project value of something on \$30-odd billion, but it's forever moving.

Senator McDONALD: That would be terrific, on notice, if you could provide the sector breakdown of those applications. Because we're not suggesting an approval or anything else, I would be interested to know by the application process, even though they may not meet the threshold for a loan, so that we get a sense of the sectors that are looking for finance support. Would that be possible?

Mr Doyle: We're also just looking at putting in a bit more sophisticated customer reference system. Sometimes we just get a call and don't get another call, but we can identify the sector, the area, the location and what they're looking for. Sometimes it's not for NAIF, and we pass it on to other agencies or other export finance agencies or someone else. That's

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another layer in our pipeline which we don't typically report on publicly. Our pipeline typically, as you know, is active inquiry all the way through. We are now collecting a lot more of that

information to understand whether there are themes in that data to understand where our other opportunities might be raising.

Answer:

The Northern Australia Infrastructure Facility (NAIF) receives enquiries from a range of industry sectors interested in potential access to concessional financing.

The NAIF pipeline incorporates potential future investments under active inquiry, strategic assessment and due diligence stages. The pipeline currently contains over \$4.5 billion in potential investment decisions with projects recorded against the following Australian and New Zealand Standard Industrial Classifications:

- Accommodation
- Agriculture
- Agriculture, Forestry and Fishing Support Services
- Air and Space Transport
- Basic Chemical and Chemical Product Manufacturing
- Electricity Supply
- Exploration and Other Mining Support Services
- Finance
- Food Product Manufacturing
- Hospital
- Metal Ore Mining
- Non-Metallic Mineral Mining and Quarrying
- Other Transport
- Petroleum and Coal Product Manufacturing
- Public Administration
- Primary Metal and Metal Product Manufacturing
- Road Transport
- Telecommunications
- Tertiary Education
- Transport Support Services
- Water Supply, Sewage and Draining Services
- Water Transport

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IQ23-000085

Division/Agency: DIV - Partnerships and Projects

Hansard Reference: Spoken, Page No. 56 (31 March 2023)

Topic: ONA staff numbers after MOGED

Senator Susan McDonald asked:

Senator McDONALD: If you could theme it and then, of course, break it up by the three jurisdictions so that we have a sense of where we're getting the most activity interest from, that would be really great. Finally, the Office of Northern Australia, Ms Lee, it's great to see you. I just wanted to ask you, now that the Office of Northern Australia has had a MOG, a machinery-of-government, move, do you still have the same number of staff you had last financial year?

Ms Lee: It's lovely to see you too. The number within the ONA has shifted slightly, and that's because some of the staff that we MOGED across with were looking after the NAIF, and they have since moved in to a different branch. Numbers are comparable, and I can provide on notice exact numbers at this point in time.

Senator McDONALD: That would be terrific. I'm very keen to see the Office of Northern Australia remain well-resourced. Thank you, Ms Lee.

Answer:

As at 31 March 2022, the Office of Northern Australia (ONA) Branch had a staffing level of 27, including two contractors.

Following a divisionsal restructure in late 2022, sections from the ONA Branch transferred to a new Northern Australia Investments and Projects (NAIP) Branch.

As at 31 March 2023, the combined staffing level of ONA and NAIP was 32, which is made up as follows:

- ONA has a staffing level of 18, including one contractor; and
- NAIP has a staffing level of 14, including one contractor.

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IQ23-000087

Division/Agency: DIV - Partnerships and Projects

Hansard Reference: Spoken, Page No. 58-59 (31 March 2023)

Topic: Pathways into real jobs in the renewable sector

Mr Luke Gosling OAM MP asked:

Mr GOSLING: I thought you'd never ask chair! I asked a similar question earlier today, and it was in relation to training up the workforce. We've been discussing renewables but also how we prepare young people living in northern Australia for careers in STEM or careers as electricians or careers in the coal industry et cetera. But, apart from fee-free TAFE that our government is instituting, one great idea that I heard about in Queensland is an electrical trade training centre that seems to be a facility where industry has chipped in, the union movement has chipped in and state government has chipped in. It seems to me that everyone knows that workforce is an issue. It's a big issue for us in the north with so much solar capacity, but there doesn't seem to be enough facilities or pathways, particularly for First Nations but for any young Australian living in the north, to be ready for that big boom of all of the cabling, all the setting up of the solar resource and getting that resource to market, getting that resource to Middle Arm and for a variety of other applications. Advanced manufacturing is going to be increasingly an opportunity up here. So where can we get some funding from the federal government for that sort of capex? I can send you the details of this facility down in Brisbane. It just seems to me that with a facility like that in the north, in Darwin, that we could make real this ambition that we've all got to make these pathways into real jobs in the renewable sector a reality. Not NAIF, because that's a loan. So where else?

Mr Mackay: It would be very helpful to see the details of the facility in Brisbane that you're referring to. I'm not personally familiar with it. We would be very happy to provide on notice then whatever information we can about possible opportunities. Consistent with our whole-of government role that we were discussing with Senator McDonald earlier on, I suspect some of those opportunities will sit either within the industry portfolio or the employment or education portfolios, but we'd be very happy to explore that with our colleagues in those departments and come back to you on notice with some specifics.

Mr GOSLING: Yes, that would be great. When I found out about it, it just seemed to me to be exactly what we need. We've got electrical training as part of TAFE up here, but we're not yet fair dinkum about training up young people for renewables. It seems that this type of centre is a neat fit, particularly if there is industry and others that want to chip in that co-funded model—

Mr Mackay: Without being familiar with the specifics of the project, I would echo your comment that the more there can be collaboration between levels of government, community organisations and industry for these kinds of projects, the stronger they are. We would be very happy to come back to you with details, on notice.

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Mr GOSLING: I'll send what I've got through to the secretariat and you can get back to us with any advice or other people that I should chat with. That would be awesome.

Mr Mackay: That would be great, thank you.

Answer:

Funding for community infrastructure to improve regional areas will soon become available under the Australian Government's Growing Regions Program Round 1. The program will invest in community-focused infrastructure which revitalises regions and enhances amenity and liveability. Grant opportunity guidelines including eligibility criteria and eligible grant activities, can be found on the Australian Government's business grants web site at <https://business.gov.au>. The program will open on 5 July 2023 with applications closing on 1 August 2023.