



Australian Government



Northern Australia Infrastructure Facility



About the Northern Australia Infrastructure Facility

Factsheet

The Northern Australia Infrastructure Facility (NAIF) may approve loans to 30 June 2021 which total \$5 billion in aggregate (with loan tenors up to the longest term of Commonwealth borrowings).

Loans may be concessional finance to encourage and complement private sector investment in economic infrastructure that benefits northern Australia. This may include developments in airports, communications, energy, ports, rail and water. Investment will be spread across the three jurisdictions in northern Australia.

The right economic infrastructure is a fundamental driver of economic change and can stimulate productivity, and economic growth, encourage further investment, increase accessibility to markets, especially for remote areas, and help attract and retain workers. Investments made by the NAIF to finance the construction of economic infrastructure will drive the long-term expansion of the economy and stimulate population growth in northern Australia.



How does the NAIF work?

The NAIF's independent statutory board makes investment decisions according to the [Investment Mandate](#), in order to achieve the objectives of:

- supporting the construction of economic infrastructure that provides a basis for the longer term expansion of industry and population in northern Australia
- ensuring the Commonwealth is repaid in full and provides the minimum level of concessionality necessary to allow a particular project to proceed
- operating in partnership with commercial lenders, not in competition

- supporting economic infrastructure projects that provide future economic benefits
- being credible in financial markets and meeting public sector accountability standards
- catalysing further private sector investment in northern Australia

What are the eligibility criteria?

There are seven mandatory criteria for NAIF finance and preference will be given to projects which meet one or both of the non-mandatory criteria.*

Mandatory Eligibility Criteria:

1. The project involves the construction or enhancement of economic infrastructure
2. The project will be of public benefit
3. The project is unlikely to proceed, or only at a much later date, without NAIF financial assistance
4. The project is located in, or will have a significant benefit for northern Australia
5. NAIF's loan is not the majority source of debt funding
6. The loan will be able to be repaid or refinanced
7. Indigenous engagement strategy

*For further information refer to the NAIF [Investment Mandate](#) available at www.naif.gov.au

**For further information refer to the [NAIF Act 2016](#) available at www.naif.gov.au

Non-Mandatory Eligibility Criteria:

1. The project is seeking finance from NAIF for an amount of at least \$50 million
2. There is an identified need for the project

What is economic infrastructure?

Economic infrastructure incorporates physical structures associated with the flow of people, goods, services and information between buyers and sellers or that enables an increase in economic activity, including efficiency in developing and connecting markets and population in a region.*

Examples of economic infrastructure are:

- rail infrastructure
- communication networks
- energy networks
- ports
- airports
- pipelines
- roads
- water supply

NAIF can support bringing new capacity online either through the construction of new infrastructure or by materially enhancing existing infrastructure.



What kinds of financial mechanism will the NAIF offer?

Loans will be the default financing mechanism to support eligible projects. Concessions will only be provided to the extent required to ensure the project's viability and terms may be included so that the Commonwealth can share in any better than expected financial performance by the supported project.

The NAIF may consider alternative financing mechanisms on a case by case basis where it may be more appropriate for a specific

project or is necessary to encourage private sector participation in financing a project. In these cases the NAIF needs to seek agreement from the responsible Commonwealth Minister. The NAIF cannot offer grants or equity investment.

What is meant by concessional?

Concessionality will be tailored to the needs of the project* and compared to other private finance may include:

- longer tenor and/or different repayment arrangements
- a lower interest rate
- extended periods of capitalisation of interest
- deferral of loan repayments, or other tailored loan repayment schedules
- different fee structures
- lower ranking for cashflow purposes

What is included in northern Australia?

For the purposes of the NAIF, Northern Australia includes all of the Northern Territory, and those parts of Queensland and Western Australia above the Tropic of Capricorn. It also includes areas which intersect with the Tropic of Capricorn and the regional centres of Gladstone and the Gladstone Hinterland (Queensland), Carnarvon (Western Australia) and Exmouth (Western Australia), as well as the Local Government Areas of Meekatharra and Wiluna that adjoin the Tropic of Capricorn. Territorial seas up to twelve nautical miles offshore adjacent to these areas are also

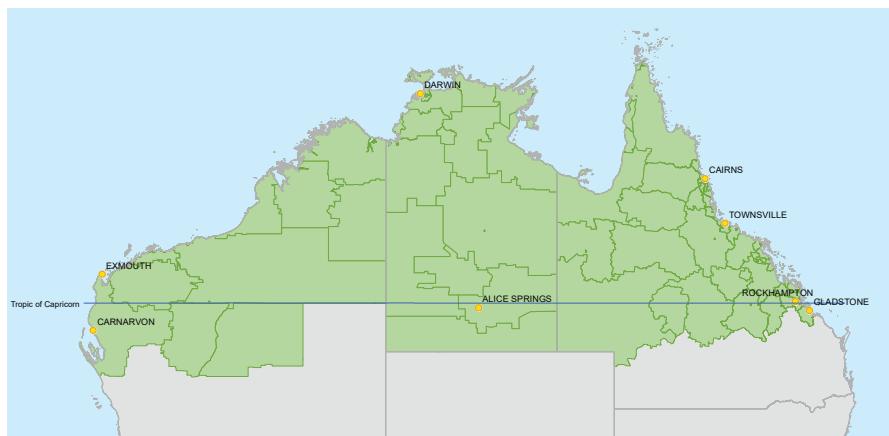
included in the definition.** Projects do not need to be entirely within these boundaries if they produce significant benefits to Northern Australia. For example, a project that enhances north-south connectivity may be eligible.

How do I apply?

Please contact NAIF on 1300 GO NAIF (1300 466 243) to discuss your project. To assist with NAIF's initial review of your project, we will request some initial high-level enquiry information such as:

- high-level project information (e.g. size, scope, key features etc.)
- project proponents, participants and sponsors
- funding plan
- development timeline
- business plan or preliminary studies
- commentary on how the project satisfies the mandatory and non-mandatory eligibility criteria
- any other supporting information which may be available to support your initial enquiry

Further information phone
1300 GO NAIF (1300 466 243)
or visit www.naif.gov.au.



Northern Australia as defined in the NAIF Act 2016

*For further information refer to the NAIF [Investment Mandate](http://www.naif.gov.au) available at www.naif.gov.au

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