

NAIF welcomes Investment Mandate changes

The Northern Australia Infrastructure Facility (NAIF) says it welcomes the Investment Mandate changes announced by Minister for Northern Australia, Matthew Canavan today.

CEO Laurie Walker said the changes would give NAIF a broader reach and provide additional flexibility to help NAIF deliver more infrastructure for northern Australia, than previously.

“The opportunity to accelerate the development of infrastructure in northern Australia is a good thing,” Ms Walker said.

The key changes which will mean more projects qualify for NAIF finance, include:

- broadening the types of infrastructure so NAIF can consider facilities which are essential to the establishment of a business activity in a region. This includes for example food or other agricultural or resource processing plants and supply chain operating assets.
- allowing NAIF to lend up to 100% of the debt, for appropriate projects, which removes the 50 per cent cap on NAIF debt financing.
- giving NAIF more flexibility around the gap test, relying on the Independent Board to determine whether a project could proceed without NAIF assistance. NAIF will still seek to encourage private sector finance through NAIF’s participation in a project.

Ms Walker said the focus on public benefit, Indigenous engagement and the requirement for the NAIF finance to be repaid remain key objectives which must be demonstrated on all projects.

“The changes now make it absolutely clear that we are able to consider smaller projects, where they meet our mandatory criteria removing any reference to a NAIF \$50 million minimum,” she said.

“As our first Investment Decision showed we were already able to do that. It was to lend \$16.8 million for the Onslow Marine Support Base, which will generate more than \$100 million in benefit over the life of the NAIF loan. There was confusion though, that is now removed.”

Ms Walker said NAIF has 17 projects in due diligence with 90 active projects in its pipeline.

“With the mandate changes NAIF will repivot and look at projects that previously may have been ineligible or would have taken longer to finance,” she said.

“We encourage investors to also bring forward their ideas and projects to us, to see how the mandate changes may work for them to partner with NAIF in growing northern Australia.”

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