

# NAIF NEWSLETTER

## Message from the CEO



The Northern Australia Infrastructure Facility (NAIF) has opened the new financial year with three important announcements on diverse, game-changing infrastructure projects in Northern Australia. We continue to deliver on NAIF's mandate to accelerate major investment and public benefit into the north.

### **Sheffield Resources Limited – Thunderbird Mineral Sands Project**

NAIF's third Investment Decision in WA will help finance the development of one of the world's largest and highest-grade zircon and titanium dioxide deposits. NAIF's loans of \$95m to Sheffield Resources Limited (SFX) will supplement private sector finance to build a mineral sands processing plant, LNG power station, electrical reticulation and regasification and gas storage at the mine. Upgraded roads will enable safe transport to and from the mine and ship loading and logistics assets will revitalise the port of Derby. The processed minerals have a wide range of industrial applications, from fibre optics to ceramic tiles. Thunderbird is one of the largest discoveries in decades and is poised to become a reliable source of mineral sands to meet global demand for many years to come.

The public benefits are substantial, with an estimated 42-year mine life to boost economic activity and growth in the remote towns of Derby and Broome. SFX has made a 'Pledge to the Kimberley Community' that includes a focus on drive-in/drive-out mine workforce, keeping salaries in the region. NAIF's support will help the Thunderbird project create 400 construction jobs and 280 direct jobs. A strong Indigenous Engagement Strategy is another mandatory criterion for NAIF funding and SFX has made a public commitment to build to 40% Aboriginal employment in the first eight years of operation along with local supply opportunities and cash payments to the Traditional Owners to exceed \$100m over the life of the mine. [More details here.](#)

### **Northern Territory Airports Upgrade**

NAIF's largest investment in the Northern Territory is one step closer with the announcement of a prospective \$150 million loan to Northern Territory Airports Pty Ltd (NTA). The loan will fund infrastructure projects as part of the \$300 million infrastructure expansion package across airport sites in Darwin, Tennant Creek and Alice Springs including:

- cold storage and export hub at Darwin International Airport;
- solar energy farms at Darwin, Tennant Creek and Alice Springs along with an off-site multi-user battery; and
- upgrades at the Alice Springs Airport.

Benefits will be delivered for the Northern Territory through the project. There are expected to be up to 1,000 jobs generated through the construction phase, supporting approximately 500 indirect jobs through the supply chain with over 140 new ongoing positions. NAIF's ability to provide an early indication of support for these projects will accelerate construction with the projects now scheduled to commence in early 2019. [More details here.](#)

### **Pilbara Minerals Ltd – Pippingarra Road Upgrade**

NAIF's \$19.5m loan to a subsidiary of Pilbara Minerals Ltd (PLS) will upgrade the 70km Pippingarra Road from the PLS owned Pilgangoora Lithium-Tantalum project, one of the largest lithium ore deposits in the world. The upgraded road will provide a safer alternative, keeping heavy vehicles off a large part of the Great Northern Highway and will mitigate extreme weather risks by providing an alternative route north to Port Hedland. Local residents, tourists, Indigenous communities, pastoral stations and businesses will enjoy improved access to remote Pilbara locations for years to come. This Investment Decision shows how NAIF can help where commercial lenders cannot.

PLS has also forged strong working relationships with the Traditional Owners of the region. A key Indigenous joint venture, NPJV, has already been sub-contracted on preliminary roadworks and other employment and contracting opportunities will be available to local Indigenous businesses and jobseekers, during both construction and in ongoing maintenance. [More details here.](#)

NAIF is actively supporting the growth of the economy and population of northern Australia. We strongly encourage potential proponents to contact us with infrastructure proposals that have the potential to transform their part of northern Australia. Please read [here](#) for more information on NAIF eligibility criteria. And watch this space for further announcements in the near future!

Regards,  
**Laurie Walker**  
CEO, Northern Australia Infrastructure Facility

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## NAIF Regional visit to Mackay

The 25th NAIF Board Meeting was held in Mackay on 23 August.

Following the meeting, Directors Bill Shannon and Barry Coulter joined the CEO and Amanda Copping Executive Director Origination meeting with regional stakeholders including the Mayor and Council Executives and local state Government representatives.

A roundtable with local MP the Hon George Christensen attracted close to 20 community and business leaders and discussed the NAIF mandate and priority project opportunities in the region.

## Board Appointments

The Minister for Resources and Northern Australia, Senator the Hon Matt Canavan announced appointments to the NAIF Board effective 1 August 2018.

**Khory McCormick** has been appointed Chair. He is a foundation member of the NAIF Board, serving as acting chair since May 2018.

Mr McCormick's legal career has seen him advise clients throughout northern Australia including some of the nation's largest private and public sector entities in the finance, resource, construction and government sectors. He has received peer and industry recognition for his corporate, risk management and governance expertise.

**Ross Rolfe** has been appointed as a Board member. Mr Rolfe has significant experience in the energy and infrastructure sectors and currently serves as managing director of renewable energy generator Infigen Energy and chair of North Queensland Airports.

## Out and about with NAIF

NAIF continues to actively engage with stakeholders across northern Australia. Recent highlights include:

- Amanda Copping presented at Townsville's North Qld [Economic Development Practitioners Network](#) meeting on 2 August and at the [Metropolitan Century: The Transformation of Cities, Property Council of Aust](#) on 31 August;
- Laurie Walker (CEO) presented at the Torres & Cape Mayors' Alliance forum in Cairns on 7 August and at LaCamara Spanish Australian Chamber of Commerce in Sydney on 13 September;
- Jann Crase (Project Manager) presented at [Northern Alliance of Councils' Future Forward](#) conference in Ingham on 22 August;
- NAIF executives Peter Ross and Patrick Leung presented at several conferences in September, including the 3<sup>rd</sup> Pilbara Economic Conference in Perth; and
- Khory McCormick (Chair) spoke at [Building the Territory – Civil Construction, Defence & Infrastructure](#) conference in Darwin on 5-6 September.

## NAIF Pipeline – Growing momentum

In August and September 2018, 10 new projects progressed to the due diligence phase of NAIF's assessment process bringing the total number of projects in due diligence to 21.

Those new opportunities are worth \$2.87bn in total capital value and have potential for NAIF Investment Decisions of up to around \$605m. They are diversified across transport, agriculture and resource sectors and across the three northern jurisdictions.

## From airports to resources, NAIF finance is transforming the north...



### Get in touch:

To talk to NAIF about an infrastructure project: 1300 466 243 or [naif@naif.gov.au](mailto:naif@naif.gov.au)

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