

Northern Australia Infrastructure Facility

**Entity resources and planned
performance**

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Northern Australia Infrastructure Facility

Section 1: Entity overview and resources

1.1 Strategic direction statement

The Northern Australia Infrastructure Facility (NAIF) was established on 1 July 2016 as a corporate Commonwealth entity under the *Northern Australia Infrastructure Facility Act 2016* (NAIF Act).

A commercially focused independent board oversees NAIF and is responsible for making investment decisions to provide financial assistance by way of loans or alternative financing mechanisms to projects that support the economic growth and stimulate population growth in Northern Australia.

The NAIF Investment Mandate, effective 15 December 2023, outlines the mandatory criteria project proponents must meet for their project to be eligible for NAIF financial assistance. The infrastructure that NAIF is able to finance is wide ranging and includes assets that facilitate the establishment or enhancement of business activity or increase economic activity in a region. Examples of the sectors that NAIF can support include, but are not limited to, resources, airports, ports and rail, agriculture, water, energy, social infrastructure (including property, tourism, education and health), manufacturing and telecommunications. Eligible projects must bring new capacity online either through the construction of new infrastructure or by materially enhancing existing infrastructure.

NAIF projects must be of public benefit (being broad based and demonstrating benefits to the broader economy and community, beyond those captured by a project proponent). In offering any concession pricing or terms, NAIF must have regard to the extent of the forecast public benefit.

NAIF can provide up to 100 per cent of debt funding for an eligible project, provided there is appropriate risk sharing and subject to the Commonwealth Government not being a majority risk taker for the project.

In providing financing to support the development of a project, NAIF utilises several financing tools including longer loan tenor, deferral of interest and principal repayments, security and/or cash flow subordination and concessional pricing. The financing tools provided for a project are determined on a project specific basis. NAIF can accept a higher risk than commercial lenders particularly where the risk relates to factors that are unique to investing in northern Australia, including distance, remoteness and climate. NAIF is only able to offer the minimum concessions necessary for a project to proceed. NAIF moneys are not grant funds and in all cases the loan or other finance must be able to be repaid or refinanced.

NAIF requires each proponent to provide an Indigenous participation, procurement and employment strategy tailored for the Indigenous population in the region of the proposed project. NAIF works with project proponents to ensure these strategies contain sustainable and achievable actions to support Indigenous advancement, including setting targets across employment, procurement, or other areas where suited to the circumstances of the project.

NAIF is able to achieve its primary objective, delivering economic and population growth in the north, through its strategic financing tools, its expansive definition of infrastructure (focus on financing development), and its commitment to delivering public benefit to Northern Australia.

NAIF is an initiative of the Australian Government's Our North, Our Future: White Paper on Developing Northern Australia. Policy responsibility rests with the Department of Infrastructure, Transport, Regional Development, Communications and the Arts.

On 17 July 2020, the then responsible Minister announced NAIF's extension for a further five years to 30 June 2026. Section 8(1) of the NAIF Act states that NAIF must not make a decision after 30 June 2026 to provide financial assistance.

On 22 June 2023 legislation was passed by both houses, and received Royal Assent on 3 July 2023, to provide an additional \$2 billion to NAIF, taking the total financing available to \$7 billion and the definition of northern Australia was updated to include the Indian Ocean Territories.

More information about NAIF is available at: <https://www.naif.gov.au/>.

1.2 Entity resource statement

Table 1.1 shows the total resourcing from all sources available to the NAIF for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the NAIF's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to the *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis. Amounts presented below are consistent with amounts presented in the Appropriation Bills themselves.

Table 1.1: Northern Australia Infrastructure Facility (NAIF) resource statement – Budget estimates for 2024–25 as at Budget May 2024

	2023-24 Estimated actual \$'000	2024-25 Estimate \$'000
Opening balance/cash reserves at 1 July	14,742	14,742
Funds from Government		
Annual appropriations - ordinary annual services ^(a)		
Outcome 1	21,295	21,782
Total annual appropriations	21,295	21,782
Total funds from Government	21,295	21,782
Funds from other sources		
Interest	250	-
Total funds from other sources	250	-
Total net resourcing for NAIF	36,287	36,524
	2023-24	2024-25
Average staffing level (number)^(b)	1	1

Prepared on a resourcing (that is, appropriations available) basis.

All figures shown above are GST exclusive – these may not match figures in the cash flow statement.

(a) Appropriation Bill (No. 1) 2024-2025.

(b) The average staffing level (ASL) estimate represents the Chief Executive Officer of NAIF. Total staffing for NAIF is 46.1 full time equivalents as at April 2024. The additional staff for NAIF include specialist staff engaged under contract. Refer to Section 3.1.1 for further information.

NAIF is not directly appropriated as it is a Corporate Commonwealth Entity. Appropriations are made to the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (a Non-Corporate Commonwealth Entity), which are then paid to NAIF and are considered 'departmental' for all purposes.

1.3 Budget measures

Budget measures in Part 1 relating to the NAIF are detailed in the Budget Paper No. 2 and are summarised below.

Table 1.2: NAIF 2024–25 Budget measures

Part 1: Measures announced since the 2023–24 Mid-Year Economic and Fiscal Outlook

	Program	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000
Payment measures						
Savings from External Labour – extension ^(a)	1.1					
Departmental payments		-	(32)	(31)	(35)	(263)
Total		-	(32)	(31)	(35)	(263)
Total payment measures						
Departmental		-	(32)	(31)	(35)	(263)
Total		-	(32)	(31)	(35)	(263)

Prepared on a Government Finance Statistics (Underlying Cash) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

(a) This is a cross portfolio measure. The full measure description and package details appear in the Budget Paper No. 2 as 'various agencies' under the cross portfolio section.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance measure described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide a complete picture of an entity's planned and actual performance.

The most recent corporate plan for NAIF can be found at:

<https://www.naif.gov.au/media/2qphdf13/naif-corporate-plan-fy23-24-final.pdf>

The most recent annual performance statement can be found at:

https://www.naif.gov.au/media/pt1bwvzu/naif_annualreport_2022_23.pdf

2.1 Budgeted expenses and performance for Outcome 1

Outcome 1: Enable economic growth in Northern Australia, by facilitating private sector investment in economic infrastructure, primarily through the provision of concessional financing delivered through the State and Territory Governments

Linked programs

<p>Department of Infrastructure, Transport, Regional Development, Communications and the Arts</p> <p>Programs</p> <ul style="list-style-type: none">• Program 3.4: Growing a Stronger Northern Australian Economy <p>Contribution to Outcome 1 made by linked program</p> <p>The Department of Infrastructure, Transport, Regional Development, Communications and the Arts contributes through its policies to increase economic growth and investment in Northern Australia. The Department of Infrastructure, Transport, Regional Development and Communications and the Arts has policy responsibility for NAIF.</p>
<p>Infrastructure Australia</p> <p>Programs</p> <ul style="list-style-type: none">• Program 1.1: Infrastructure Australia <p>Contribution to Outcome 1 made by linked program</p> <p>Infrastructure Australia contributes to Outcome 1 through feedback on matters relating to infrastructure and public benefit analysis to support NAIF’s assessment of its mandatory criterion in regards to a project being of public benefit. NAIF must consult Infrastructure Australia where NAIF’s Investment Decision is for an amount more than \$250 million.</p>

National Indigenous Australians Agency**Programs**

- Program 1.1: Jobs, Land and the Economy
- Program 1.2: Children and Schooling
- Program 1.3: Safety and Wellbeing
- Program 1.4: Culture and Capability
- Program 1.5: Remote Australia Strategies
- Program 1.6: Evaluation and Research

Contribution to Outcome 1 made by linked programs

The National Indigenous Australians Agency contributes to Outcome 1 through engagement with Indigenous-led proponents or those partnering with Indigenous communities on projects related to areas like social infrastructure, ecotourism, agriculture and horticulture, resources and innovative energy solutions for remote communities. NAIF engages with Indigenous stakeholders including for example the Indigenous Reference Group. Furthermore, all NAIF project proponents must develop strategies for Indigenous participation, procurement and employment that is tailored for Indigenous population in the region of the project.

Budgeted expenses for Outcome 1

This table shows how much the NAIF intends to spend (on an accrual basis) on achieving the outcome, broken down by program.

Table 2.1.1: Budgeted expenses for Outcome 1

	2023-24 Estimated actual \$'000	2024-25 Budget \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000
Program 1.1: Northern Australia Infrastructure Facility					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	21,295	21,782	22,255	22,806	23,066
Revenues from other independent sources	250	-	-	-	-
Total expenses for Program 1.1	21,545	21,782	22,255	22,806	23,066
Outcome 1 Totals by resource type					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	21,295	21,782	22,255	22,806	23,066
Revenues from other independent sources	250	-	-	-	-
Total expenses for Outcome 1	21,545	21,782	22,255	22,806	23,066
	2023-24	2024-25			
Average staffing level (number)^(a)	1	1			

Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

- (a) The average staffing level (ASL) estimate represents the Chief Executive Officer of NAIF. Total staffing for NAIF is 46.1 full time equivalents as at April 2024. The additional staff for NAIF include specialist staff engaged under contract. Refer to Section 3.1.1 for further information.

Table 2.1.2: Performance measures for Outcome 1

Table 2.1.2 details the performance measures for each program associated with Outcome 1. It is used by entities to describe the results they plan to achieve and the related key activities, as detailed in the current corporate plan, the context in which these activities are delivered, and how the performance of these activities will be measured. Where relevant, details of the 2024–25 Budget measures that have created new programs or materially changed existing programs are provided.

Outcome 1 – Enable economic growth in Northern Australia, by facilitating private sector investment in economic infrastructure, primarily through the provision of concessional financing delivered through State and Territory Governments		
Program 1.1 – Northern Australia Infrastructure Facility (NAIF) This program contributes to the outcome by accelerating and encouraging development of infrastructure that provides a basis for economic growth and stimulates population growth in Northern Australia.		
Key Activities	NAIF delivers Program 1.1 by the making of investment decisions for financial assistance, which may be concessional. The financial assistance may be provided to state and territory governments in Queensland, Western Australia, and the Northern Territory to on-lend in their jurisdictions for the benefit of their jurisdictions or may be provided directly to the development entity. The assistance is for the construction or material enhancement of infrastructure to enable long term economic and population growth to benefit Northern Australia.	
Year	Performance measures	Expected Performance Results
Current Year 2023–24	Public benefit ratio (public benefit /NAIF loan)	Target: Annual cumulative calculation for new Investment Decisions (ID's) in the financial year quantified public benefit is >10x NAIF loan value Target not expected to be met – forecast public benefit varies by industry sector and this ratio is disproportionately affected by the small number of investment decisions. Ratio has been redefined for next financial year
	Job creation	Target: Annual cumulative calculation for new ID's: total job numbers divided by total NAIF loan value >5 Target expected to be met
	Dollar value of Investment Decisions	Target: Investment decisions approved of between \$1bn–\$1.25bn Target not expected to be met – recent years show that increasing costs of materials and labour have had an adverse affect on viability of projects. Target has been recalibrated based on recent performance for next financial year
	Indigenous Strategies	Target: >2 new Investments (small loan and/or ID) supporting a business or project with significant indigenous ownership Target not expected to be met – exploring opportunities to support smaller organisations through financial partnerships

Year	Performance measures^(a)	Planned Performance Results
Current Year 2023–24	Indigenous Employment Opportunities	Target: Annual average percentage of Indigenous specific jobs for new Investment decision is >3% Target expected to be met
Year	Performance measures^(a)	Planned Performance Results
Budget Year 2024–25	Public benefit	Annual dollar value of public benefit from Investment Decisions is >\$4bn
	Job creation	Annual forecast direct and indirect jobs associated with Investment Decisions of > 2,500
	Dollar value of Investment Decisions	Annual dollar value of Investment Decisions >\$700m
	Capital Deployed (i.e. cumulative drawdowns)	Cumulative drawdown total \$2.5bn
	Indigenous Strategies	> 2 new Investments (small loan and/or ID) supporting a business or project with significant Indigenous ownership
	Indigenous Employment Opportunities	Annual, average percentage of Indigenous specific jobs for new investment decisions is > 5%, across new IDs
Forward Estimates 2025–28	NAIF forward estimates exist to 30 June 2026 in accordance with NAIF Act which only allows financing decisions up to this date. All performance measures are as per 2024–25 except below: For 2025–26 Capital Deployed (i.e. cumulative drawdowns)	For 2025–26 Cumulative drawdown total >\$3bn

(a) Performance measures have changed slightly to reflect changes to the NAIF Investment Mandate and data maturity.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of NAIF's finances for the 2024–25 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 Budgeted financial statements

3.1.1 Explanatory notes and analysis of budgeted financial statements

The income statement shows the estimated net cost of services for NAIF. Total budgeted expenses for NAIF in 2024–25 is \$21.8 million, largely represented by \$16.2 million in employee benefits, and \$5.1 million in suppliers. Suppliers include specialist staff engaged under contract; board, travel and overhead costs as well as expenses relating to Export Finance Australia, which provides services to NAIF through a service level agreement across corporate and administrative services (including financial management and reporting, human resources, information technology and communications and property management). Section 8(1) of the NAIF Act provides that NAIF must not make a decision after 30 June 2026 to provide financial assistance.

3.2 Budgeted financial statements tables

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2023-24 Estimated actual \$'000	2024-25 Budget \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000
EXPENSES					
Employee benefits	14,943	16,152	17,230	17,553	18,195
Suppliers	6,088	5,116	4,511	4,917	4,837
Depreciation and amortisation	493	493	493	315	34
Finance costs	21	21	21	21	-
Total expenses	21,545	21,782	22,255	22,806	23,066
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Interest	250	-	-	-	-
Total own-source revenue	250	-	-	-	-
Total own-source income	250	-	-	-	-
Net (cost of)/contribution by services	(21,295)	(21,782)	(22,255)	(22,806)	(23,066)
Revenue from Government	21,295	21,782	22,255	22,806	23,066
Surplus/(deficit) attributable to the Australian Government	-	-	-	-	-
Total comprehensive income/(loss)	-	-	-	-	-
Total comprehensive income/(loss) attributable to the Australian Government	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2023-24 Estimated actual \$'000	2024-25 Budget \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	18,078	18,136	18,222	18,027	18,027
Trade and other receivables	104	104	104	104	104
Total financial assets	18,182	18,240	18,326	18,131	18,131
Non-financial assets					
Property, plant and equipment	1,326	833	340	25	99
Other non-financial assets	76	76	76	76	76
Total non-financial assets	1,402	909	416	101	175
Total assets	19,584	19,149	18,742	18,232	18,306
LIABILITIES					
Payables					
Suppliers	2,367	2,432	2,426	1,888	1,964
Other payables	245	245	245	245	245
Total payables	2,612	2,677	2,671	2,133	2,209
Interest bearing liabilities					
Leases	1,001	501	34	2	-
Total interest bearing liabilities	1,001	501	34	2	-
Provisions					
Employee provisions	954	954	1,020	1,080	1,080
Other provisions	275	275	275	275	275
Total provisions	1,229	1,229	1,295	1,355	1,355
Total liabilities	4,842	4,407	4,000	3,490	3,564
Net assets	14,742	14,742	14,742	14,742	14,742
EQUITY					
Parent entity interest					
Retained surplus (accumulated deficit)	14,742	14,742	14,742	14,742	14,742
Total parent entity interest	14,742	14,742	14,742	14,742	14,742
Total equity	14,742	14,742	14,742	14,742	14,742

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity – summary of movement (Budget year 2024–25)

	Retained earnings \$'000	Total equity \$'000
Opening balance as at 1 July 2024		
Balance carried forward from previous period	14,742	14,742
Adjusted opening balance	14,742	14,742
Estimated closing balance as at 30 June 2025	14,742	14,742
Closing balance attributable to the Australian Government	14,742	14,742

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2023-24 Estimated actual \$'000	2024-25 Budget \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Receipts from Government	21,295	21,782	22,255	22,806	23,066
Interest	250	-	-	-	-
Total cash received	21,545	21,782	22,255	22,806	23,066
Cash used					
Employees	14,877	16,152	17,164	17,493	18,195
Suppliers	6,084	5,051	4,517	5,455	4,761
Other	21	21	21	21	-
Total cash used	20,982	21,224	21,702	22,969	22,956
Net cash from/(used by) operating activities	563	558	553	(163)	110
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	-	-	-	-	108
Total cash used	-	-	-	-	108
Net cash from/(used by) investing activities	-	-	-	-	(108)
FINANCING ACTIVITIES					
Cash used					
Principal payments on lease liability	484	500	467	32	2
Total cash used	484	500	467	32	2
Net cash from/(used by) financing activities	(484)	(500)	(467)	(32)	(2)
Net increase/(decrease) in cash held	79	58	86	(195)	-
Cash and cash equivalents at the beginning of the reporting period	17,999	18,078	18,136	18,222	18,027
Cash and cash equivalents at the end of the reporting period	18,078	18,136	18,222	18,027	18,027

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

This table is not presented as NAIF does not currently have any capital budget.

Table 3.6: Statement of departmental asset movements (Budget year 2024–25)

	Asset Category	
	Other property, plant and equipment \$'000	Total \$'000
As at 1 July 2024		
Gross book value	250	250
Gross book value - ROU assets	2,448	2,448
Accumulated depreciation/amortisation and impairment	(83)	(83)
Accumulated depreciation/amortisation and impairment - ROU assets	(1,289)	(1,289)
Opening net book balance	1,326	1,326
Other movements		
Depreciation/amortisation expense	(32)	(32)
Depreciation/amortisation on ROU assets	(461)	(461)
Total other movements	(493)	(493)
As at 30 June 2025		
Gross book value	250	250
Gross book value - ROU assets	2,448	2,448
Accumulated depreciation/amortisation and impairment	(115)	(115)
Accumulated depreciation/amortisation and impairment - ROU assets	(1,750)	(1,750)
Closing net book balance	833	833

Prepared on Australian Accounting Standards basis.

