

The Hon Warren Snowden,
Chair,
2024 Independent Review of the Northern Australia Infrastructure Facility Act,
Department of Infrastructure, Transport, Regional Development, Communications and the Arts
Via email: via submission website

October 2, 2024

Dear Chair and panel,

Thank you for the opportunity to appear before the independent panel during your hearings held in Cairns on September 27, 2024. As the leading economic development and advocacy organisation for Far North Queensland, we welcome the opportunity to have input into your review of the Northern Australia Infrastructure Facility (NAIF) Act.

I present this further written submission at your request following my appearance.

At the outset, may I restate that we believe NAIF that provide an effective vehicle for facilitating and supporting the development of economic infrastructure across Northern Australia and we firmly believe it should be extended beyond June 30 2026.

We make the following high-level response and assessment of NAIF:


1. The demographics, geography, isolation and unique challenges across the North call for a place-based approach to risk and financing methodology which incorporates community benefit, looks beyond immediate risk characteristics and models a different correlation between populations (which are, by virtue of the region generally small or geographically isolated) and outcomes.
2. NAIF provides essential underpinning of core projects as the lender of last resort where traditional financing cannot meet standard lending/project thresholds. This is evidenced in the recent announcement of the Australia-first social and affordable housing project in Woree, Cairns, as well as financing for the Cairns Eastern Aviation Precinct which will facilitate the expansion of the region's general aviation sector.
3. We welcome NAIF's alignment with broader policy priorities such as the Critical Minerals Strategy, Net Zero Policy and a Future Made in Australia agenda.
4. Similarly, we welcome the important role NAIF plays in underpinning projects and developments that have implications for sovereignty around energy security and onshoring manufacturing. In support of this, we would also welcome a focus on new emerging sectors which are part of the nation's path to decarbonisation.
5. In the North and Far North, the emergence of Sustainable Aviation Fuel produced from sugar cane is a material opportunity. [MSF](#) which owns refineries in the Far North is engaged in this process in Thailand and exploring opportunities in the region while another Advance Cairns member [Jet Zero](#) is actively investing (backed by Qantas and Airbus) in this sector with a \$1 billion refinery announced for Townsville. The global demand for SAF from airlines is significant and will outstrip supply with Cairns Airport actively exploring opportunities to provide SAF to international airlines that will face these decarbonisation mandates from 2030.
6. Further, a bioproduct of SAF production is green diesel which could provide a solution to decarbonisation of the extensive Far North marine fleet which, in addition to commercial vessels, carries the more than two million visitors to the Great Barrier Reef each year.

7. Other biofuels such as those derived from Pongamia are also being considered across the region and have attracted interest by foreign investors.
8. In line with this, another member [Silica Resources Australia \(SRA\)](#) based just south of Innisfail at Mourilyan, aims to provide a stable supply of high-quality silica to drive the energy transition from traditional fossil fuels to renewal sources.
9. Combined, initiatives like these which include SAF and high-purity silica sands have the potential to boost our sovereign capabilities on the path to decarbonisation– while at the same time requiring investment in upgrades to the existing deepwater port at [Mourilyan](#) which is operated by Ports North.
10. These examples are just some of those identified across the region which have the potential to transform the region – and our major infrastructure – and could well have a role for NAIF.
11. As such, we believe flexibility for NAIF to work with Commonwealth or State institutions/GOCs as proponents etc should be considered, rather than limited to private sector financing only.
12. Greater flexibility in dealing with large scale catalytic projects – such as the proposed [Lakeland Irrigation Scheme](#) which is one hour north of Mareeba, would transform the Far North. For example, if the proponent of this project was Sunwater, a Government Owned Corporation, how might NAIF play a role? The numbers underpinning such an investment would fall short of conventional lending risk/return measures and this is precisely the sort of large-scale infrastructure in which we believe NAIF could play a material role. Limiting proponents exclusively to the private sector could potentially inhibit NAIF's capacity under such an example.
13. With resources across the North scarce and large scale investors largely absent, we support a move to allow NAIF to fund smaller projects of less than \$20-\$30 million.
14. Any ability to streamline the bureaucratic requirements which inhibit or slow NAIF's ability to operate in agile and commercial manner would be an advantage. We have seen the benefits and the impacts of NAIF being more focused on outcomes in the past two years with projects having accelerated. Anything that can further streamline and expedite the process, while meeting appropriate due diligence requirements would be welcomed.
 - a. In line with this, we would ask that consideration be given to appropriations in order to allow funds to be held by the facility itself.

I do hope this brief submission adequately reflects the wide-ranging in-person discussion which was undertaken. I appreciate the opportunity to follow up with this high-level summary and we await your findings with great interest.

I remain very happy to provide further input should that be required but I do hope that it is clear from your hearing and this submission, that Advance Cairns firmly believes NAIF should be extended.

Best Regards,



Jacinta Reddan
CEO Advance Cairns

Cc: Senator Nita Green
Hon Warren Entsch MP

