

25 October 2024



Northern Australia Infrastructure Fund (NAIF)  
Department of Infrastructure, Transport, Regional Development,  
Communications and the Arts

Sent via email: [NAIFActReview@infrastructure.gov.au](mailto:NAIFActReview@infrastructure.gov.au)

Dear NAIF Review Panel

## 2024 INDEPENDENT REVIEW OF NAIF ACT 2016

The Chamber of Minerals and Energy of Western Australia (CME) is the peak representative body for the resources sector in Western Australia. CME is funded by member companies responsible for 20 per cent of Australia's corporate income tax receipts in 2022-23.<sup>1</sup> In 2022-23, the WA resources sector accounted for 65 per cent of Australia's resources exports,<sup>2</sup> half of Australia's resources capital expenditure<sup>3</sup> and 53 per cent of Australian resources employment.<sup>4</sup>

CME appreciated the opportunity to meet with NAIF Review Panel members on 15 October and provides the following written feedback for consideration.

### NAIF Legislative Framework and Concessional Financing

Given the high costs associated with operating in remote environments in northern Australia, CME supports a continuing role for the Northern Australia Infrastructure Fund (NAIF) to de-risk and encourage private sector investment through concessional financing. CME is aware of 8 member companies that have received support from NAIF. We support an extension of NAIF's investment window beyond 30 June 2026 and note the importance of ongoing regular reviews to ensure NAIF is delivering on its stated objectives.

With regards to NAIF's role and mandate, we would highlight two areas where we believe the NAIF can play a pivotal role in underpinning both economic development and public benefit in northern Australia: funding energy transmission infrastructure and social housing.

Flexible, concessional finance is expected to be particularly helpful for new common-user energy infrastructure. A recent CME energy report<sup>1</sup> highlights the importance of flexible financing options given the lumpiness of new transmission investment and the need to avoid disadvantaging first-movers who would otherwise face the entirety of the upfront costs in the early years of operation. CME has welcomed the allocation of \$3 billion in funding under the Rewiring the Nation Program towards new common-user infrastructure in WA, to be administered by the Clean Energy Finance Corporation (CEFC), and we believe there may be scope for the NAIF to support similar projects as low emission, reliability and cost-competitive energy infrastructure is vital to economic activity and regional liveability.

The lack of quality, affordable and diverse housing options in regional and remote areas of WA, including northern WA, is a key barrier to regional liveability and community amenity, the ability for businesses to hire and procure locally and to construct new value-creating projects. We noted with interest NAIF's involvement in a Cairns social housing project<sup>2</sup> and believe NAIF is well placed to support further regional housing developments across north Western Australia under its Social Infrastructure support category.

### Public benefits and Indigenous Engagement Strategies

First Nations people have a major presence in northern Australia, representing 17.4% of the total population in northern Australia, compared to 3.8% nationally.

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<sup>1</sup> [Energy costs in transition: Decarbonising Western Australia's South West Interconnected System \(SWIS\)](#)

<sup>2</sup> [Queensland's biggest social and affordable housing project](#)

CME welcomes NAIF's commitment to support genuine engagement between proponents, First Nations communities, and Traditional Owners to identify strategies that provide the most value for the local community, and the flexibility involved in designing Indigenous Engagement Strategies. We note the NAIF public benefit assessment process requires forecasting direct and indirect jobs to be undertaken before the project gets approved and a review is conducted again 2 years after the project has started. We recommend the public benefit assessment process should include other qualitative or quantitative indicators or measures as to the community benefits provided by a proponent receiving NAIF support. This would recognise that the benefits sought by local communities differ significantly across Australia, and could include a variety of arrangements including as procurement opportunities, employment and training, community infrastructure and more. While harder to quantify than direct and indirect employment it is important to recognise these benefits as local communities may view them as equally important or desirable.

We also note that the Australian Government has introduced the *Future Made in Australia Bill 2024* (Cth, the Bill) which introduces five Community Benefit Principles (CBPs) that outline the types of community benefits expected to flow from the provision of support under the Future Made in Australia (FMA) framework, and that decision makers must consider when deciding whether to provide that support.<sup>3</sup> Should this legislation pass, we would support alignment between the CBPs and NAIF's public benefit framework for consistency.

CME would like to raise the importance of capacity building for Traditional Owners. While not wishing to duplicate work undertaken in this area by other government agencies, there may be a role for NAIF to play in supporting Traditional Owners in their engagements with NAIF applicants regarding Indigenous Engagement Strategies. For example, the WA Government is providing support for Traditional Owners participating in the Pilbara Energy Transition by providing funding for groups to identify and progress clean energy projects on Country. The Traditional Owner Participation Support fund is open to all Prescribed Bodies Corporate impacted by the Pilbara Energy Transition and provides up to \$100,000 in grant funding for advice and support relating to renewable energy projects. It is open until 30 June 2025, or until grant funds are fully committed.<sup>4</sup>

In conclusion, CME supports an extension of NAIF's investment window beyond 30 June 2026, and believes NAIF can play an important role in supporting common-user energy infrastructure and the delivery of much-needed housing across northern Australia.

For further information regarding this submission, please contact Aaron Walker, Manager – Industry Competitiveness and Economics, on 0477 679 195 or via email at [a.walker@cmewa.com](mailto:a.walker@cmewa.com).

Yours sincerely



**Adrienne LaBombard**  
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<sup>3</sup> Introduced and first reading of subclauses 3(c) and clause 10 into Parliament on 3 July. The third reading amendments was agreed to on 9 September.

<sup>4</sup> [Pilbara Traditional Owner Participation Support Fund](#)