



An Australian Government Initiative



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NAIF Review Panel

Co- The Hon. Warren Snowdon

Chair

2024 Northern Australia Infrastructure Facility Act Review

Via email: NAIFactReview@infrastructure.gov.au

RE: Submission to the NAIF Review 2024

1. Introduction

The Northern Regional Development Australia (RDA) Alliance represents eight RDA Committees spanning northern Australia, from the Gascoyne in Western Australia to Gladstone in Central Queensland. The Alliance includes RDA Tropical North, RDA Townsville & North West Queensland, RDA Central & Western Queensland, RDA Greater Whitsundays, RDA Northern Territory, RDA Kimberley, RDA Pilbara, and RDA Mid West Gascoyne. We play a critical role in facilitating economic development, connecting industry, business, government, and community stakeholders to identify and address economic gaps.

We commend NAIF for its significant achievements to date, including the commitment of more than \$4.4 billion to support 32 projects, generating over \$33 billion in economic impact and creating more than 18,000 jobs across northern Australia. NAIF's development of significant in-house analysis expertise is of great benefit to the Northern RDA Alliance (NRDAA), with 30 of its 49 staff located in northern Australia. This accessibility has allowed NRDAA members to benefit from useful analysis and feedback from NAIF staff, which has contributed to improving the quality of both successful and unsuccessful projects for the greater good of northern Australia. The Alliance also acknowledges the strong working relationship between NAIF and the RDA Committees, which has fostered impactful collaboration in supporting critical areas such as infrastructure, social services, and sectoral development.

Our submission focuses on opportunities to enhance NAIF's remit to better support northern Australia's economic growth and development. We propose extending NAIF's role to support the development of feasibility studies, provide loan support for housing estate developments, and offer concessional loans for Indo-Pacific business leaders. Additionally, we urge the Federal Government to provide long-term policy and funding certainty to NAIF to maximize its potential.



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2. Addressing Gaps in Feasibility Study and Business Case Funding

Current Funding Gap

Northern Australia faces a critical gap in funding for feasibility studies, business cases, and strategic planning, which are essential for evaluating project viability and attracting further investment. Many proponents, particularly Indigenous businesses, struggle to secure funding for these early-stage documents due to the remoteness and challenges of the region.

RDA Committees' Role

While RDA Committees are often approached by businesses, industry and Indigenous groups to assist with overcoming early-stage funding challenges, we believe that RDAs should maintain an independent role in supporting these efforts. We propose that RDAs facilitate, administer, and coordinate access to NAIF funding for feasibility studies. This approach allows RDAs to offer independent input while acting as facilitators to connect private proponents with NAIF for funding and analysis support.

Alignment with NAIF's Mandate and Northern Australia Action Plan

This proposal aligns with NAIF's mandate to support transformative infrastructure projects that deliver long-term economic benefits to northern Australia. By funding early-stage project development, NAIF can help create a stronger pipeline of viable infrastructure projects, ultimately attracting both NAIF loans and private sector investment. This also supports the Northern Australia Action Plan 2024-2029's objectives of activating the northern economy, growing the workforce, and enhancing sectoral diversity.

3. Loan Support for Housing Estate Developments

The Housing Crisis in Remote and Very Remote Areas

Housing affordability and security is a pressing issue for essential workers in remote and very remote parts of northern Australia. We propose that NAIF focus on supporting local government authorities (LGAs) and private sector developers with loans for housing estate developments. Specifically, NAIF could offer loans for the development of trunk infrastructure (e.g., roads, water, and sewerage) that reduces the overall cost of housing development. By reducing the development costs compared to private institutional lenders, these savings can be passed on to land and home buyers, making housing more affordable.

This approach aligns with existing policy advice from industry groups such as the Housing Industry Association (HIA), Urban Development Institute of Australia (UDIA), and Master Builders Australia (MBA), who have similarly advocated for government-supported housing development to improve affordability.

Alignment with NAIF's Mandate

This proposal aligns with the NAIF Review's terms of reference regarding the need to diversify NAIF's product offerings to maximize economic and social benefits for northern Australia of supporting economic growth and infrastructure development in northern Australia. By offering loans to support housing estate developments, NAIF can address the housing affordability challenge in northern Australia.

4. Concessional Loans for Indo-Pacific Business Leaders

Enhancing Northern Australia's Connection with the Indo-Pacific

Northern Australia's proximity to the Indo-Pacific region presents an opportunity to strengthen economic ties with neighbouring countries. While the Northern Australia Action Plan 2024-2029 emphasizes critical sectors like minerals, agriculture, and energy, it does not explicitly address the potential for deepening economic connections with the Indo-Pacific.

We propose that NAIF explore concessional loans for Indo-Pacific business leaders, focusing on joint infrastructure projects, renewable energy, and agriculture investments that are mutually beneficial to both Australia and the Indo-Pacific region. This would not only contribute to northern Australia's economic development but also promote regional security and prosperity.

Alignment with NAIF's Mandate and Government Priorities


Although not specifically mentioned in the Northern Australia Action Plan, this proposal aligns with NAIF's broader mandate to support economic growth and build strategic partnerships. Additionally, it aligns with Australia's foreign policy objectives of strengthening ties with the Pacific and supporting mutually beneficial investments. By fostering stronger economic links between northern Australia and the Indo-Pacific, NAIF can help ensure long-term regional stability and growth.

5. Conclusion

The Northern RDA Alliance urges the NAIF Review panel to consider the following recommendations:

1. Allocate a portion of NAIF funding to support concept, pre-feasibility, and feasibility studies by facilitating and administering access to NAIF funding.
2. Offer loan support for local governments and private sector developers to fund housing estate developments, including trunk infrastructure, to reduce development costs and improve housing affordability.
3. Explore concessional loans for Indo-Pacific business leaders, fostering economic ties that are mutually beneficial for northern Australia and the broader Indo-Pacific region.

These recommendations align with NAIF's core objectives of promoting economic growth, enhancing sectoral diversity, and addressing key challenges in northern Australia. Furthermore, they complement the priorities set out in the Northern Australia Action Plan 2024-2029 and the NAIF Review's Terms of Reference, offering long-term benefits for both northern Australia and its regional neighbours.



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