



Australian Government



Northern Australia Infrastructure Facility

It's Time to Facilitate Growth

Global Eco Asia-Pacific Conference 2018

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www.naif.gov.au

NAIF- Key Facts

“The facility will address gaps in the infrastructure finance market for northern Australia and is an integral part of the Government's plan for northern Australia.”

- Established **1 July 2016**
- **\$5 billion of loans available** for infrastructure development
- **Independent Board** makes investment decisions
- **Strong collaboration** with all arms of Government (Federal, States (WA and QLD) and NT)
- Available for approval **until June 2021** (can be longest Commonwealth borrowing tenor – around 32 years)
- NAIF aims to ‘**crowd in**’ **private sector** financiers

NAIF is seeking

Infrastructure projects

To enable or accelerate project delivery

Broad economic and social public benefit

Can assist with higher risks and need for concessional terms

Must be capacity to repay NAIF finance and service equity

NAIF's Current Pipeline

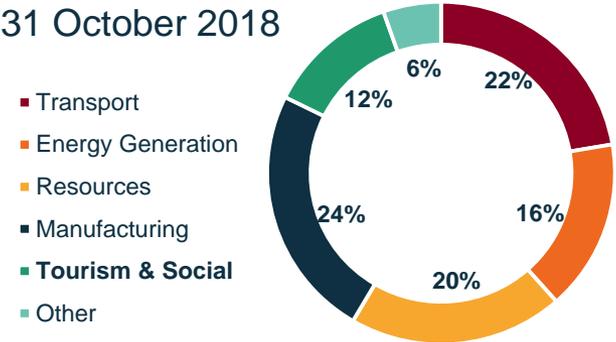
We expect to be able to **contribute strongly to financing tourism assets** where there is a **differentiated tourism offering**

Currently **16 active projects enquiries directly supporting tourism including eco and cultural tourism opportunities** – many more enquiries for enabling infrastructure



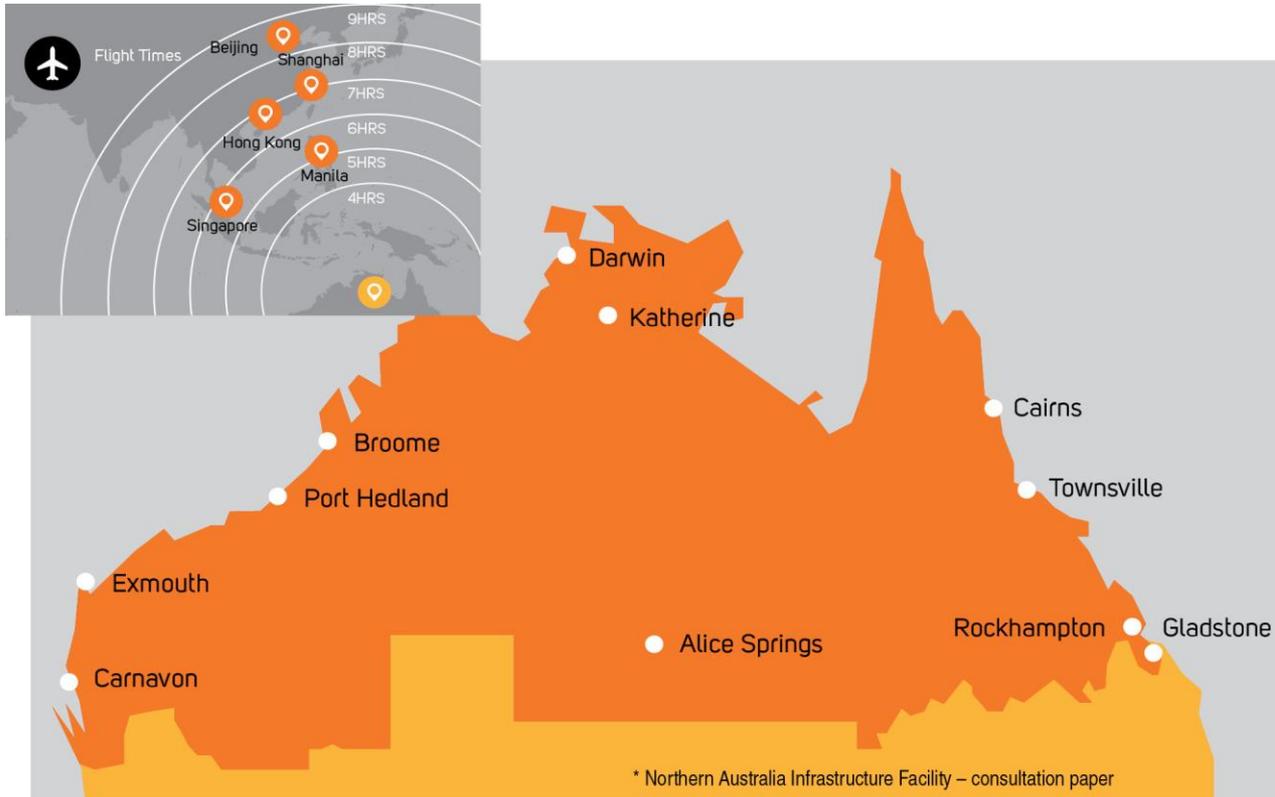
Active Project Enquiries by Sector

31 October 2018



23 projects currently in the due diligence phase

NAIF - A unique opportunity available now – untapped potential



Opportunities to partner with government and other lenders

- Whitsundays and Far North Queensland – infrastructure to enhance and attract eco tourism experiences
- Global Tourism Hub – incentives to create new tourism attractions
- Infrastructure within National Parks
- Partnering with Indigenous culture
- Jabiru, Kakadu National Park

Significant due diligence to ensure projects can address environmental and social risks

Funding can only flow when all regulatory, environmental and Native Title approvals are in place

New Investment Mandate: Streamlined Eligibility Criteria

Five mandatory criteria

The project must:

1. Involve the construction or enhancement of infrastructure
2. Be of public benefit
3. Be located in, or have significant benefit for, northern Australia
4. Be able to repay or refinance NAIF's debt
5. Have an Indigenous Engagement Strategy

New Investment Mandate: Streamlined Eligibility Criteria

Amount of Debt NAIF can finance	NAIF can lend up to 100% of debt for eligible projects. Must be reasonable allocation of risk between NAIF and other finance sources.
Project size - no minimum	NAIF can consider smaller projects (subject to their economics).
Proponent	Can be private or public sector. NAIF is not the Proponent.
Equity Capital	Can be domestic or foreign ownership. NAIF does not provide equity or feasibility funding.
Non-NAIF Debt	NAIF can partner with other financiers - public and private. NAIF aim is to complement private sector, not compete with it.
Terms and conditions – very different to other lenders	For example: <ul style="list-style-type: none">• long loan tenors of up to the longest Commonwealth borrowing (which is currently around 32 years)• lower interest rates than available from commercial lenders• absorbing some merchant risk where there is an uncertain utilisation of pay-back period• subordination in cashflow to other lenders• extended period of capitalisation of interest, or highly tailored loan repayment schedules

Infrastructure underpinning our tourism assets

Foundations to support and facilitate tourism growth

Water assets	Rail	Roads	Airports	Energy including renewables	Communications
Walking and bicycle trails	Heliports	Marinas	Generation, Distribution, Storage	Cruise ship ports and terminals	
Treatment, Distribution, Storage	Processing facilities	Marinas	Eco tourism infrastructure	Abattoirs and agriculture processing plants	
Training or educational facilities	Health facilities and medical research	Seaports	Associated cargo / storage facilities	Transhipment vessels	



NAIF – Making a difference in the North

As at 31 October 2018



Voyages Indigenous Tourism Australia – Investment Decision May 2018

Airport runway, taxiway and apron upgrade, runway lighting and provision of contractor accommodation. Yulara, NT

NAIF loan
\$27.5m

Total project value
\$27.5m

Economic Impact and Public Benefit

- **Employment support** for approx. 320 jobs with the airport continued operations
- A key economic enabler for the Yulara region, particularly tourism to the **world heritage** Uluru and Kata Tjuta National Park
- **Indigenous training opportunities**
- Continued availability of emergency services and flights for remote communities in the region

Indigenous engagement

- A target of 3% to 5% of goods and materials sourced from companies that are 50% or more Indigenous owned
- Project construction employment targets are for Indigenous people to be greater than 10% of the workforce



NAIF's loan tenor better matching the long term asset life was not available in the commercial banking market.

NAIF's ability to take a **long term view in structuring its repayment profile** allows the Proponent to use its short to medium term cash flow on other high-value projects that support Voyages' social purpose of creating opportunities for Indigenous Australians through cultural tourism.

Northern Territory Airports Conditional Approval September 2018

Infrastructure upgrades and construction across Darwin, Tennant Creek and Alice Springs Airports

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
- Upgrades at the Alice Springs Airport

Potential NAIF loan
Up to \$150m

Total project value
\$300m

Economic Impact and Public Benefit

- Expected to be with up to **1,000 jobs generated** through the construction phase, supporting approximately 500 indirect jobs through the supply chain with over 140 new on-going positions
- **Increased capacity to attract bigger planes to carry more tourists** and export the norths' distinctive products such as mud crabs, barramundi, mangoes and melons to Asia
- Local businesses, including Indigenous organisations will benefit with Northern Territory Airports committing to a 10% Indigenous employment target



NAIF's ability to **provide an early indication of support for these projects will accelerate their construction** with the projects now scheduled to commence in early 2019.

NAIF will also continue to work closely with stakeholders including NTA and the Northern Territory Government as they undertake their review of the project and work towards agreeing to provide funds

Eco tourism concept and opportunities – one example

Ecotourism strategy and product offering as tourism drawcard. Far North Queensland and further afield

- A broad Project Concept vision which could include unique ecotourism offerings - cultural experiences, accommodation, sustainable eco experiences
- NAIF can help catalyse. Project and Proponent to be identified.
- Opportunities to consider NAIF finance post concept development.

Public Benefit / Indigenous Engagement

- **Employment and business opportunities for traditional owners**, including links with existing Indigenous and other tourism and service businesses
- **Raised awareness of areas of natural and historical significance** and Indigenous land and culture
- Promote **environmental and eco tourism opportunities**
- Power and water upgrades and other required infrastructure will benefit remote communities



Currently pre feasibility is under consideration for a number of project opportunities

NAIF to **collaboration and partner with jurisdictional governments** on call for tenders – an incentive to support projects

Thank you



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