

LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

WRITTEN QUESTION

Mr Guyula to the Minister for Primary Industry and Resources:

NAIF loans

Please outline whether Northern Australia Infrastructure Fund loans will be made available for any fracking gas projects or supporting infrastructure like pipelines, roads, waste facilities in the Northern Territory.

ANSWER

The Department of Trade, Business and Innovation is not aware of any Northern Territory gas projects approved for funding by the Northern Australia Infrastructure Fund (NAIF). Any questions about projects under consideration by NAIF should be directed to NAIF. Projects relating to onshore gas may be eligible for funding if they meet the NAIF Investment Mandate criteria. The Northern Territory Government is ready to assist and support private sector proponents to access NAIF funding as projects are advanced.

How the NAIF works:

NAIF may approve loans to 30 June 2021 which total \$5 billion in aggregate (with loan tenors to up to the longest term of Commonwealth borrowings). Loans may be concessional finance to encourage and complement private sector investment in economic infrastructure that benefits northern Australia. This may include developments in airports, communications, energy, ports, rail and water. Investment will be spread across the three jurisdictions in northern Australia.

About NAIF funding (<http://www.naif.gov.au/about-naif-finance/>):

NAIF's primary financing mechanism is the provision of fixed rate, Australian dollar loans. Interest rates and payback period will be determined separately for each individual project. NAIF has the ability to provide concessions on the basis that such concessions are limited to the minimum necessary for a project to proceed. Any concessional interest rate that NAIF may offer cannot be below the combined cost of Commonwealth borrowing and administration costs.

The NAIF Board may consider using alternative financing mechanisms to a loan, such as a guarantee, where:

- it may be more appropriate for a specific project
- it is necessary to encourage private sector participation in financing a project

Where the Board considers that an alternative financing mechanism is preferred to a loan, the Board must write to the responsible Minister seeking agreement to the alternative financing mechanism. The NAIF cannot offer an alternative financing mechanism that would provide equity or grant funding to a project.

How to apply:

There are four stages of the application and approval procedure:

1. Enquiry and Preliminary Assessment Stage
2. Strategic assessment Stage
3. Due Diligence Stage
4. Investment Decision and Executive Stage

Information on how to apply for a NAIF funding can be found by visiting NAIF at:
<http://www.naif.gov.au/application-process/application-and-approval-procedure/>