



Review of the Northern Australia Infrastructure Facility Act 2016

Terms of Reference

The *Northern Australia Infrastructure Facility Act 2016* (the NAIF Act) established the Northern Australia Infrastructure Facility (NAIF). The NAIF Act was previously reviewed in 2019-20, and subsequently amended 27 May 2021 extending the NAIF investment window to 30 June 2026. The NAIF Act was again amended on 4 July 2023, providing an additional \$2 billion to the NAIF - taking the total financing available to \$7 billion. The NAIF Act broadly creates opportunities for the NAIF to meet current and future challenges by supporting and/or aligning with broader Australian Government policy priorities, such as the Critical Minerals Strategy, Net Zero Policy and a Future Made in Australia Agenda.

Without limiting the matters to be covered by the review of the NAIF Act (the Review), section 43(2) of the NAIF Act stipulates the Review must consider the following in relation to the NAIF:

- whether the time limit of 30 June 2026 set out in section 8 of the NAIF Act for making decisions to provide financial assistance should be extended; and
- the appropriate governance arrangements for the NAIF after 30 June 2026.

In addressing the above matters, the Review should consider:

- the need for, and effectiveness of, the NAIF in facilitating and supporting the development of economic infrastructure across northern Australia;
 - including its value in supporting industry growth in northern Australia with publicly funded concessional finance, including assessing and determining the optimal level of concessionality;
- the appropriateness of NAIF's legislative framework, including the *Northern Australia Infrastructure Facility Investment Mandate Direction 2023* and rules made under the NAIF Act and eligibility criteria;
- the suitability and effectiveness of NAIF's products and services and finance delivery mechanisms beyond 30 June 2026;
- whether NAIF's administrative, governance (including legislative) and operating arrangements are fit for purpose, including reference to:
 - screening, due diligence, credit and risk assessment processes and management;
 - skills matrix for the Board and senior management;
 - joint ministerial roles and responsibilities;
 - appropriate structure and management of appropriation;

- management (including risk management) and reporting of NAIF loan assets and associated impairments;
 - opportunities to improve the efficiency and effectiveness of loan delivery and management, including with reference to other Commonwealth Specialist Investment Vehicles; and
 - Australian Government policy and guidelines applicable to Specialist Investment Vehicles.
 - other learnings from, and collaboration and complementarities with, other Commonwealth Specialist Investment Vehicles.
- the appropriateness of the NAIF portfolio diversity to maximise growth in the north;
 - opportunities to support greater engagement and inclusion of First Nations people and organisations in NAIF projects, including procurement and employment, and as project proponents; and
 - other matters relevant to the operation of the NAIF Act.

An Independent Expert Panel (the Panel) will be established to undertake stakeholder consultation for the Review and prepare the final report.

The Panel members will be selected for expertise in regional development, public policy and infrastructure, which will enable them to make assessments based on a thorough understanding of the economic challenges faced by communities in northern Australia.

The final report should include recommendations on the NAIF Activities and governance arrangements of the NAIF after 30 June 2026.

Timing

The Review is to be finalised and a written report provided to the Minister for Northern Australia and the Minister for Finance on, or before, 15 December 2024.