

Submission

Governance and operation of the Northern Australia Infrastructure Facility (NAIF)

Thank you for the opportunity to make this submission.

Below are my concerns regarding the Northern Australia Infrastructure Facility (NAIF).

The adequacy and transparency of the NAIF's governance framework, including its project assessment and approval processes:

- Spending of funds, decisions and applications are kept secret until after projects have been approved. Public are not informed and NAIF declines to make available information about specific projects or who project proponents are. A body administering public funds must be accountable for their spending to the public taxpayers whose money they are distributing.
- NAIF's refusal to disclose any schedules of the dates and locations of its board meetings is completely inappropriate because of the huge amounts of public funds involved. The public has a right to know and this amount of secrecy is unjustifiable¹.

The adequacy of the NAIF's Investment Mandate, risk appetite statement and public interest test in guiding decisions of the NAIF Board:

- The Investment Mandate states
"the Board will give preference to those projects that will:
 - 1. serve or have the capacity to serve multiple users; and*
 - 2. produce benefits to the broader economy and community beyond those able to be captured by Project Proponents."*

Adani's Galilee Basin railway project does not meet these standards as the

¹ [http://www.abc.net.au/news/2017-02-13/agency-assessing-\\$1b-loan-to-adani-rejects-foi-request/8259342](http://www.abc.net.au/news/2017-02-13/agency-assessing-$1b-loan-to-adani-rejects-foi-request/8259342)

benefit of this project is only to the mining company and of no conceivable benefit to the broader community. It is highly detrimental to our water, air, Great Barrier Reef and communities – and fails the public interest test and is ineligible for funding.

- The Investment Mandate offers little environmental protection. Environmental compliance of recipients of NAIF funding in, both in Australia and overseas, needs to be thoroughly investigated. The Adani railway line proposal would be ineligible given Adani’s proven track record of breaking environmental laws in India². To meet our obligations under the Paris agreement we cannot allow investment in new coal projects – or infrastructure associated with these projects³. We need to decarbonize our energy systems and prevent financial loss through increased insurance claims⁴.
- There is no requirement for NAIF to ensure a return on investment, merely that the investment be “repaid”. This would seem ludicrous and completely inappropriate. Of course huge sums of taxpayer funds must receive a return – its basic financial principal to get a return on monies loaned to prevent financial loss through stranded assets. There are plenty of studies available to the public which state a clear risk of Adani’s Carmichael project becoming a stranded asset. Again it would seem this project is ineligible for NAIF funding⁵.

Processes used to appoint NAIF Board members, including assessment of potential conflicts of interest:

- The majority of NAIF directors have a history in mining and fossil fuels. This would seem to offer a biased board lacking in diversity of opinion and necessary skills in other areas including agriculture, education, health, transport and other vital industries central to making good decisions for northern Australian communities. It is not clear how board members’ conflicts of interest in relation to applications is to be handled and this is another completely unacceptable outcome for members of the public and needs to be changed.

² <https://adanifiles.com.au/#env-destruction>

³ <http://www.climatechangenews.com/2016/09/22/carbon-in-existing-coal-oil-and-gas-fields-enough-to-breach-climate-limits-study/>

⁴ <https://www.theguardian.com/environment/2016/dec/07/climate-change-threatens-ability-insurers-manage-risk>

⁵ <http://ieefa.org/stranded-coal-asset-australia/>

The adequacy of the Northern Australia Infrastructure Facility Act 2016 and Investment Mandate to provide for and maintain the independence of decisions of the Board:

- A major concern is that the Minister for Resources and is responsible for NAIF. Only one man. This includes selecting the board, setting the Investment Mandate and rejecting a board recommendation for a loan. The minister openly supports, and is one of coal's most outspoken advocates. He is openly in favour of supporting new coal projects. Giving one openly biased minister the final say on investment projects is thoroughly and absolutely inappropriate; a clear indication that the governance framework needs to be changed and strengthened to diversify opinions in the decision-making process.

As an Australian, world citizen and a grandmother I want a cleaner earth for future generations. The idea that somehow Queensland's coal doesn't matter in its contribution to greenhouse emissions because it is being burnt somewhere else is simply wrong. There is no clean coal. Digging up coal to be burnt is bad enough, paying miners to come and do it is even worse and that effectively is what any NAIF investment in a coal railway looks like.

There is enough sun in north in an area of only 10% of the Australian continent to power the world⁶.

There is technology available to transition Australia's fossil fuel domestic and export market to 100% renewables from the North⁷.

There is enough water in the north with up to two metres annual rainfall to harvest⁸ for use in areas of the country in desperate need and there is solar water desalination technology available⁹ for backup in dryer times.

There are many projects of far more benefit in Northern Australia than spending one fifth of the NAIF pool on a railway that will benefit a few already

⁶ <http://www.abc.net.au/radionational/programs/scienceshow/big-solar-%E2%80%93-australian-sunlight-could-power-the-planet/7451890>

⁷ <http://www.itm-power.com/about/technology>
<https://www.ngva.eu/etogas-delivers-worlds-largest-methane-production-plant-to-audi>
<https://energy.gov/eere/about-office-energy-efficiency-and-renewable-energy>

⁸ <http://www.cat.org.au/applications-and-methods-for-rainwater-harvesting-in-the-arid-zone/>

⁹ <https://www.ecowatch.com/sundrop-farms-solar-desalination-2033987160.html>

wealthy people greatly and most of us less than not at all.

Thank you for considering my submission.

Yours sincerely

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