

**Senate Economics Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Budget Estimates

2014 - 2015

**Department/Agency: Treasury IID**

**Question: BET 164-176**

**Topic: Northern Australia Taskforce**

**Reference: written - 12 June 2015**

**Senator: McLucas, Jan**

**Question:**

164. Which agency initiated the development of the Northern Australia Infrastructure Facility?
165. What analysis has been done on the need for low cost finance in Northern Australia?
  - a. Who conducted this analysis?
  - b. When was it conducted?
166. Which agencies are involved in the further development of the Northern Australia Infrastructure Facility?
167. What is the role of Austrade in the Northern Australia Infrastructure Facility?
168. What is the role of IA in the Northern Australia Infrastructure Facility?
169. What is the role of DIRD in the Northern Australia Infrastructure Facility?
170. What is the role of Treasury in the Northern Australia Infrastructure Facility?
171. What is the role of the Northern Australian Alliance in the Northern Australia Infrastructure Facility?
172. What is the role of state and the territory government in the Northern Australia Infrastructure Facility?
173. What are the benefits of a concessional loan facility?
174. What cost benefit analysis will be conducted before a loan is supported?
175. What will the maximum term of the loans be?
176. What will be the minimum and maximum amounts of the loan?

**Answer:**

164. The Northern Australia Infrastructure Facility (NAIF) arose from the policy development process for the Northern Australia White Paper. Within the public service, the Department of the Prime Minister and Cabinet had overall responsibility for leading the Northern Australian White Paper.

165. Infrastructure Australia's Northern Australia Infrastructure Audit identified over 180 infrastructure needs for the north's airports, ports, rail, roads, energy, water and communications sectors. The audit was released as part of the Northern Australia White Paper process.

The Northern Australia White Paper process (managed by the Department of Prime Minister and Cabinet) highlighted some of the infrastructure needs across the north and identified that low cost finance could help facilitate the development of this infrastructure.

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166. Treasury is the lead agency responsible for developing the NAIF. It is consulting all relevant agencies across Government, including those who have experience with infrastructure and financial transactions (eg the Departments of the Prime Minister and Cabinet, Finance, and Infrastructure and Regional Development, Infrastructure Australia, EFIC and the CEFC). Relevant state and territory governments are also being consulted.

167. The roles of all specific agencies are not yet set. Treasury has discussed the NAIF with Austrade.

168. The roles of all specific agencies are not yet set. Treasury is consulting with Infrastructure Australia.

169. The roles of all specific agencies are not yet set. Treasury is consulting with the Department of Infrastructure and Regional Development.

170. Treasury is leading the development of the NAIF.

171. The Northern Alliance does not have a direct role in the NAIF but is one of a range of stakeholders with an interest in the Facility.

172. Treasury is consulting with officials from the Governments of Western Australia, Queensland and the Northern Territory on the design of the facility, including the potential role of the states and territories.

173. The provision of Government concessional loans can reduce costs and risks to borrowers so that they help finance major projects that would otherwise not go ahead. The Government's cost of borrowing (and thus what an infrastructure project would have to repay) is lower than an infrastructure project would be able to borrow in commercial financial markets and the other terms and conditions of the loan may be concessional compared with commercial financial markets.

174. The Government is developing eligibility criteria for the facility, including the application requirements, which will address analysis to be provided or undertaken as part of the assessment process.

175. The Government is developing eligibility criteria for the facility, including the financial criteria, which will provide guidance on the expected loan terms.

176. See answer to Question 175