

Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry, Innovation and Science Portfolio
2016-17 Supplementary Budget Estimates
20 October 2016

DEPARTMENT: DEPARTMENT OF INDUSTRY, INNOVATION AND SCIENCE

TOPIC: Infrastructure Projects

REFERENCE: Question on Notice (Hansard, 20 October 2016, page 126)

QUESTION No.: SI-38

Senator WATERS: Would the board take into account any designations by state governments of infrastructure projects being critical when making funding decisions? As you would know, the Queensland government

Senator Canavan: Sorry, could you repeat that?

Senator WATERS: Would the board take into account, in their funding decisions, any designations by state governments as critical infrastructure, or state significant or some other kind of—

Senator Canavan: I think that goes to a level of specifics that I cannot answer. Again, we can take it on notice. I can say that under the mandate we provided to NAIF there are requirements on NAIF to consult the state governments on any project they are seeking to fund, principally so that they could understand where such infrastructure might fit into state government priorities.

Senator WATERS: Could you also take on notice whether or not such a designation, as happened with Adani, would make it easier for projects to obtain funding under NAIF, given that they would have the imprimatur of the state? Regarding rejections of proposals, I understand that section 11 of the act says there are a few criteria on which a proposal can be rejected by the minister—that is the veto we were talking about before. You flagged that it involved adverse national or domestic security implications. Minister, have you formed a view

on whether or not it is inconsistent with the objectives or policies of the Commonwealth government or with national or domestic security implications for Adani to be financed under NAIF?

Senator Canavan: No, I have not formed a view on that. And I would add that it is a hypothetical at the moment.

ANSWER

Yes, when making investment decisions, the Northern Australia Infrastructure Facility (NAIF) Board would take into account designations by state governments of projects being critical.

One of the non-mandatory criteria is that there is an identified need for the project. A project proponent may demonstrate that the project meets an infrastructure need if it has been identified through a Commonwealth, State or Territory assessment process, pipeline or priority list such as the Northern Australia Infrastructure Audit.

Consistent with the Investment Mandate, a designation by a state government of an infrastructure project being critical is one of the many factors the independent NAIF Board will consider when making an investment decision.