

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: Funding under the NAIF

REFERENCE: Question on Notice (Hansard, 20 October 2016, page 127-128)

QUESTION No.: SI-39

Senator KETTER: Yes, I do. Some of my questions complement those of Senator Waters, so I will try and work through them. I am interested in the project funding under the NAIF. How many inquiries have been received by NAIF? I think, Minister, at the end of September you said about 85 projects had expressed an interest.

Senator Canavan: We will take it on notice. I have here more than 70 at the moment, but there are projects sometimes dropping off or losing interest. So I will take that on notice.

Senator KETTER: Can I ask for a breakdown by state, a breakdown by electorate and a list of the infrastructure projects.

Senator Canavan: We will provide as much as we can on that. We will take it on notice.

Senator KETTER: Thank you. How many of those entities have submitted a formal investment proposal?

Senator Canavan: I do not want to be held too much to the precise wording, because I am not a representative of the NAIF here, except to say, as I have said earlier, that my understanding is that there is one project that has proceeded to an investment proposal, but this is a matter for the board. If there is other information on that, I will get back to you and clarify the record.

Senator KETTER: My understanding is that there is one that has progressed to the due diligence stage.

Senator Canavan: Yes, this is the understanding I have. Again, the information and advice I have received for that one project is that the investment proposal stage is going through the due diligence, so in fact they are the same or equivalent stage in my mind. I will just check that to make sure that is correct for you and for the record.

Senator KETTER: I also understand that there are another 13 progressing through the approval pipeline.

Senator Canavan: That is the information we updated earlier, yes.

Senator KETTER: Of those 14 in total, how many have submitted a formal investment proposal? Again, could you provide a breakdown by state and electorate and a list of infrastructure projects.

Senator Canavan: We will take that on notice.

Senator KETTER: You have indicated you have some constraints talking about the one project that is at the due diligence stage. Is it possible to find out which state and which electorate?

Senator Canavan: We will take it on notice, consult with the NAIF and provide what we can for the committee.

Senator KETTER: And, if possible, the list of infrastructure projects associated with that.

Senator Canavan: Yes.

Senator KETTER: Senator Waters might have touched on this, but can the due diligence requirements surrounding project applications be made public?

Senator Canavan: Again, I will have to take that on notice. Those processes are certainly a matter for the board.

Senator KETTER: I know that there is nobody from NAIF here tonight, as I understand. Are you are seeking to clarify whether or not you can provide information about inquiries and projects?

Senator Canavan: I am happy to expand a little. The advice I have received is that some, but not all,

of these projects are commercially sensitive, and the proponents of those projects would prefer it not to be public that they are seeking funding from the Commonwealth. Of course, my interest here, for the committee and as a minister, is to ensure the public interest is protected. Therefore, we need to be careful about what information we release, given that we want to encourage people to apply to this facility. We recognise that, to encourage and give incentive for people to make these applications, we need to establish a record and an aptitude that we could treat commercial-in-confidence information with the respect it deserves. I am not making judgements here myself. I am obviously taking advice from the NAIF, who are dealing with the proponents on a day-to-day basis. I will take those questions on notice and consult with them about what information we can provide to the committee.

ANSWER

As at 1 November 2016, the Northern Australia Infrastructure Facility (NAIF) had received 80 enquiries.

A breakdown of these enquiries is below:

- a) Queensland: 55 per cent
- b) Northern Territory: 22 per cent
- c) Western Australia: 19 per cent
- d) Cross-jurisdictional: 4 per cent

The location and name of the projects are commercial-in-confidence.

One formal proposal has been submitted and this has progressed to due diligence phase. The location and name of the project is commercial-in-confidence.

In accordance with Clause 17(2) of the *Northern Australia Infrastructure Facility Investment Mandate Direction 2016* (Investment Mandate) within 30 business days of an Investment Decision, the NAIF must publish information regarding all transactions on its website, subject to commercial confidentiality, including:

- a) the name of the Project Proponent;
- b) the goods/services involved;
- c) the location;
- d) the type of Financing Mechanism; and
- e) the amount of the Financing Mechanism.

Clause 18 of the Investment Mandate provides that NAIF must publish guidance on certain matters. NAIF intends to publish on the NAIF website (www.naif.gov.au) guidance on the application process, including due diligence requirements once approved by the NAIF Board. These requirements will be reviewed by the board regularly and are subject to change.