Australian Government

NAIF
Northern Australia Infrastructure Facility

Northern Australia Infrastructure Facility

Annual Report

2025 – 2026



AIRPORT DEVELOPMENT GROUP
NT Airports Infrastructure and Upgrades, NT

Investing for impact in Northern Australia

naif.gov.au

Long-term finance
for long-term impact

The Northern Australia Infrastructure Facility (NAIF) is the Australian Government's infrastructure financier for Northern Australia and the Australian Indian Ocean Territories. Through the provision of concessional finance, NAIF supports strategic infrastructure projects that drive economic growth, strengthen regional communities and enhance long-term prosperity across Northern Australia.

Guided by its Investment Mandate, NAIF prioritises projects that deliver;

- public benefit,
- support Indigenous participation and outcomes, and
- contribute to the sustainable development of the region.

NAIF's activities support the Australian Government's vision for a sustainable, resilient and prosperous Northern Australian economy. Through its financing commitments, NAIF contributes to sustainable economic development, helps address economic and social disadvantage across the north, and works in partnership with governments and industry to deliver critical infrastructure projects.

Our purpose

We contribute to the Nation by proudly investing in the growth of Northern Australia.

Ten years of financing the North

This Annual Report marks a defining moment: NAIF's tenth year of operation since the facility was established under the *Northern Australia Infrastructure Facility Act 2016*, coinciding with the passage of legislation extending NAIF's Investment Mandate for a further ten years.

A decade ago, NAIF was a new institution with a bold mandate and a blank page. Today, it is one of Australia's most active development financiers in the north, with a proven track record, a strong pipeline, and deep relationships with project proponents, state and territory governments, and First Nations communities.

Acknowledgment of Country

The Northern Australia Infrastructure Facility acknowledges the Traditional Owners of Country throughout Australia and their continuing connection to land, sea and community. We pay our respect to Elders past and present.

Design and layout: LS Design Studio, Cairns **Cover image:** Darwin International Airport **Photo Credit:** Haroon Iqbal

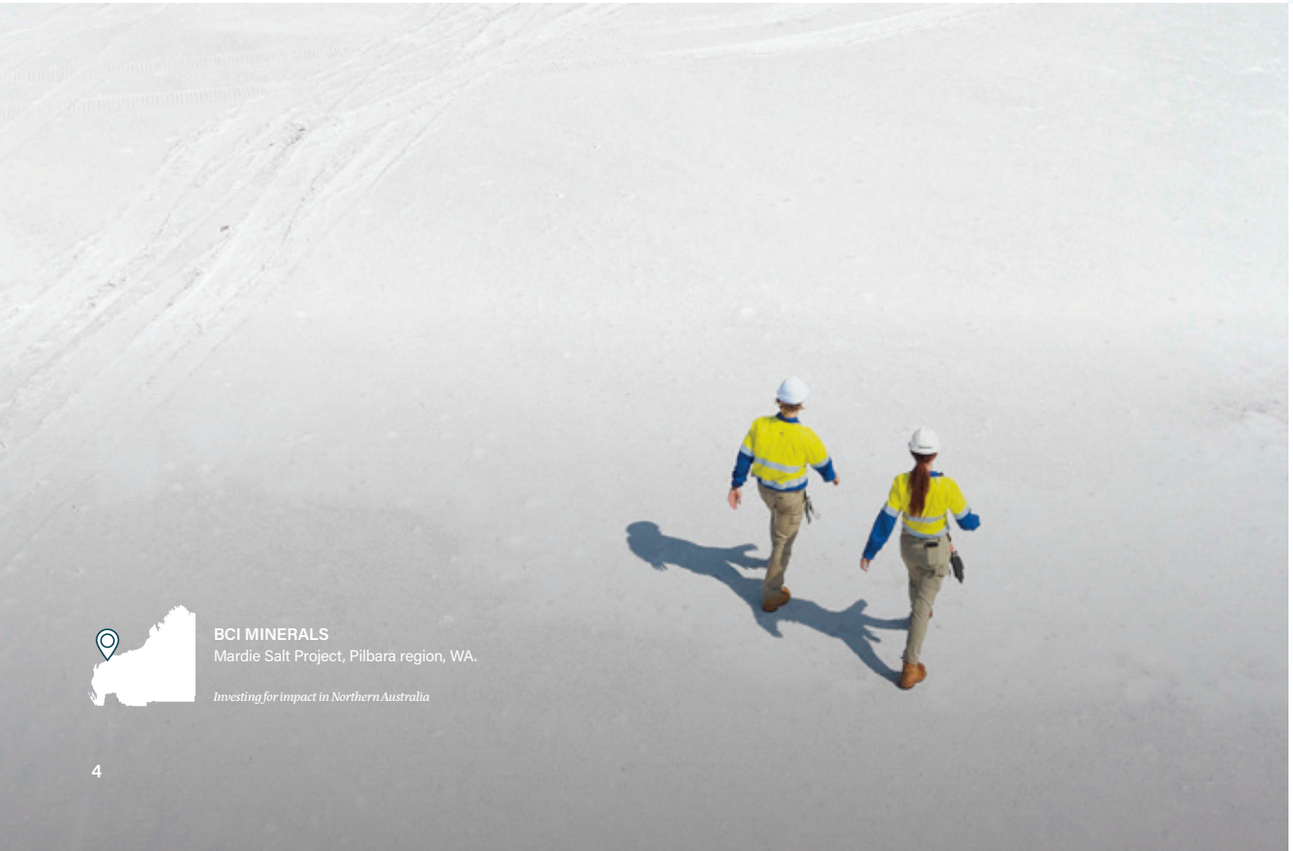
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Performance Summary

As of 30 June 2026, NAIF has committed $4.5 billion in loans across 35 projects - spanning energy, agriculture, resources, transport and logistics, social infrastructure and critical minerals - delivering transformative outcomes across Queensland, the Northern Territory and Western Australia.

$4.5B Value of Investment Decisions	**35** Projects supported	**$33.4B** Forecast public benefit	**18,700+** Forecast jobs
$3.0B Drawn down by proponents	**$399M** Repaid to Commonwealth	**5** Loans fully repaid	**$279M** Indigenous procurement



BCI MINERALS
Mardie Salt Project, Pilbara region, WA.

Investing for impact in Northern Australia

2025-2026 Annual highlights

This year NAIF made three new Investment Decisions, valued at $188.1 million, spanning energy infrastructure, social housing, and tertiary student accommodation, demonstrating the continued breadth and quality of NAIF's investments:

Proponent	Jurisdiction	Project	NAIF Loan (up to)	Key Outcome
CAMPUS LIVING VILLAGES (CLV)	Darwin, NT	CDU Student Accommodation	$74m	400+ new student beds serving Charles Darwin University.
HURST HOLDING COMPANY PTY LTD†	Townsville, QLD	Townsville Affordable Living Precinct	$42.1m	81 new social and affordable housing units in Townsville.
QPM ENERGY LIMITED*	Moranbah, QLD	Isaac Power Project	$72m	Grid-strengthening gas-fired power station.

† Post 30 June 2026 the proponent advised that the project is unlikely to proceed and NAIF's original investment decision may not be required. No financial assistance has been provided by NAIF.

* Following NAIF's Investment Decision, post 30 June 2026, the proponent appointed voluntary administrators. NAIF has no financial exposure to QPM as Contractual Close had not been achieved and so no financial assistance has been provided.

The forecast benefits highlight the significant impact of NAIF financing, with these three loan commitments expected to deliver $489 million in public benefit and support 631 jobs across Northern Australia.

$3 Billion drawn by proponents

NAIF reached a landmark milestone in 2025-26, reaching $3 billion of NAIF funds drawn by project proponents, a tangible measure of real infrastructure being built on the ground across Northern Australia. Proponents typically draw down in increments tied to construction schedules, meaning this figure directly reflects the scale of physical activity NAIF has generated. More than the release of funding, the drawdowns reflect money being spent in local communities, supporting businesses, creating jobs and driving economic activity across Northern Australia.

Five loans fully repaid

Five borrowers have now fully repaid their loans, returning approximately $350 million to the Commonwealth. Proponents that have fully repaid their NAIF loans are Onslow Marine Support Base, Queensland Airports Limited (Townsville Airport), Pembroke Resources (Olive Downs Steelmaking Coal Project), Pilbara Minerals (P680 Expansion), and Voyages Indigenous Tourism Australia (Connellan Airport Upgrades and Accommodation).

These successful repayments highlight the positive outcomes achieved through NAIF's investments and affirm that NAIF-supported projects continue to deliver long-term public benefits.

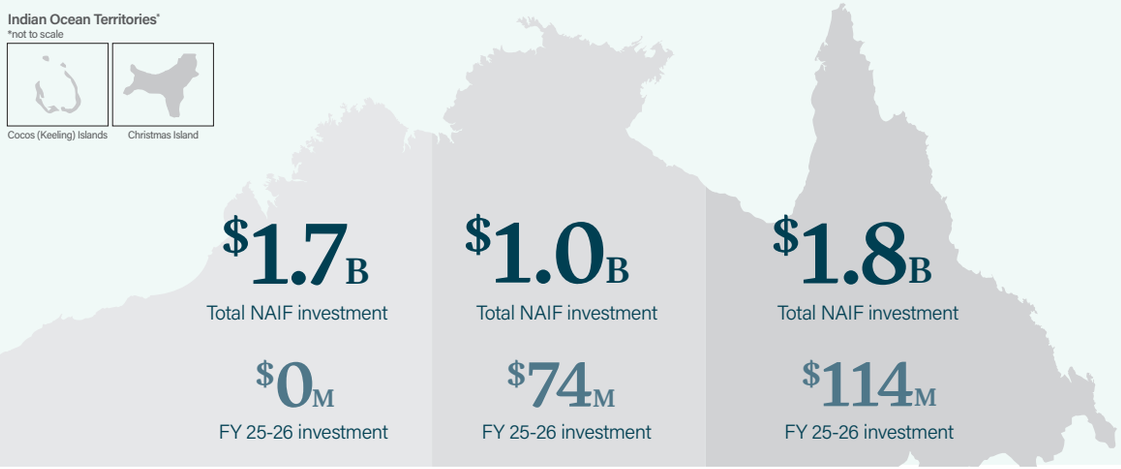
Cumulative Performance
A Decade of Investment*

Jurisdictional reach

NAIF's $4.5 billion of loan commitments covers all three northern jurisdictions, with Investment Decisions reached in:

Jurisdiction	Number of projects	Project value
QUEENSLAND	16 projects	Approximately **$1.8 billion**
WESTERN AUSTRALIA	10 projects	Approximately **$1.7 billion**
NORTHERN TERRITORY	9 projects	Approximately **$1.0 billion**

Supported projects by geography



$1.7B
Total NAIF investment

$0M
FY 25-26 investment

$1.0B
Total NAIF investment

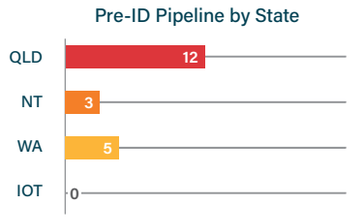
$74M
FY 25-26 investment

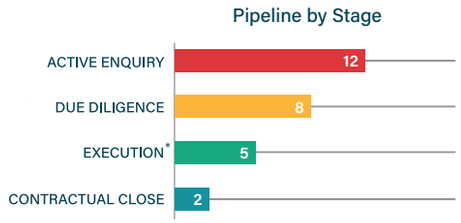
$1.8B
Total NAIF investment

$114M
FY 25-26 investment

Our pipeline

NAIF's pipeline guides infrastructure projects through key stages, beginning with active enquiry, progressing through Due Diligence and Execution, then moving to Contractual Close and ultimately Financial Close. This structured process supports a clear and consistent pathway from initial inquiry to project completion.





*All figures are as at 30 June 2026 and do not include subsequent events

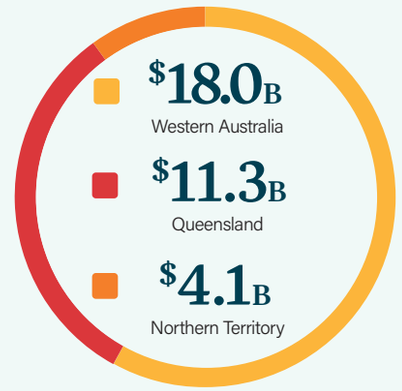
Forecast economic impact

18,700+
Total forecast jobs

$33.4B
Public benefit forecast from NAIF supported projects

≈ $1: $7.4
Forecast public benefit for every $1.00 of finance by NAIF

Public benefit by jurisdiction



Support by sector

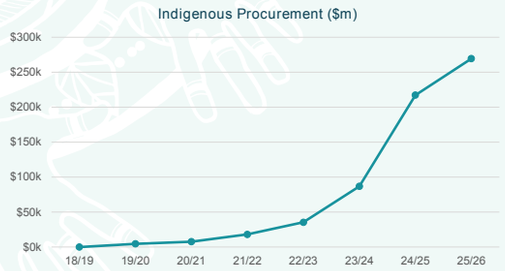
NAIF's portfolio spans six key sectors:

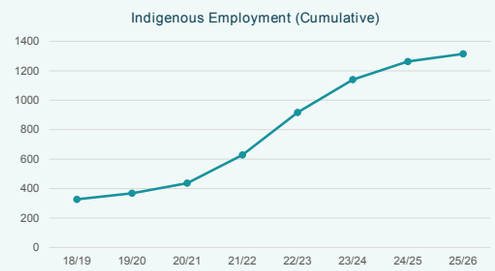
Agriculture & Water	$89M
Energy (Renewables Generation)	$809M
Financing Partnerships	$50M
Resources	$2.2B
Critical Minerals / Rare Earths	$835M
Fertilisers	$559M
Other	$774M
Social Infrastructure	$693M
Transport & Logistics	$693M



Indigenous outcomes

NAIF recognises the importance of Indigenous engagement and requires all project proponents to submit an Indigenous Engagement Strategy as part of the eligibility process. This strategy must clearly define commitments for Indigenous participation, procurement, and employment, ensuring alignment with the local First Nations people in the project's region.





*All figures are as at 30 June 2026 and do not include subsequent events

NAIF Funded Projects
By Location & Loan Status

NAIF INVESTMENT DECISION

ARAFURA RARE EARTHS LIMITED
Nolans Bore Rare Earths Project, NT

CAMPUS LIVING VILLAGES PTY LTD
Campus Living Villages Student Accommodation, NT

ELEMENT 25 LTD
Butcherbird Manganese Project, WA

HURST HOLDING COMPANY PTY LTD
Townsville Affordable Living Precinct, QLD

QPM ENERGY LTD
Isaac Power Project, QLD

NAIF CONTRACTUAL CLOSE

ALPHA HPA
HPA First Project, QLD

NORTHERN TERRITORY GOVERNMENT
Darwin Shiplift Project, NT

NAIF FINANCIAL CLOSE

BCI MINERALS
Mardie Salt Project, WA

COMMUNITY HOUSING LTD & TETRIS CAPITAL PTY LTD
Cairns Seniors Community Housing Project, QLD

CQUNIVERSITY
Digital Transformation and Supporting Infrastructure, QLD

GENEX POWER
Kidston Pumped Storage Hydro Project, QLD

HERITAGE MINERALS
Mount Morgan Tailings Processing and Rehabilitation Project, QLD

MERRICKS CAPITAL
Hudson Creek Power Station and Batchelor Solar Farm, NT

NQ AIRPORTS
North Queensland Airports Upgrade Project, QLD

PERDAMAN, WATER CORPORATION AND PILBARA PORTS AUTHORITY
Perdaman Urea Project and Supporting Infrastructure, WA

STRANDLINE RESOURCES LIMITED
Coburn Heavy Mineral Sands Project, WA

OPERATIONAL

AIRPORT DEVELOPMENT GROUP
NT Airports Infrastructure and Upgrades, NT

ALLIANCE AIRLINES
Maintenance, Repair and Overhaul (MRO) Facility, QLD

APA GROUP LTD
Chichester Solar and Gas Hybrid Project, WA

CHARLES DARWIN UNIVERSITY
Education and Community Precinct and Casuarina Campus Project, NT

HUMPTY DOO BARRAMUNDI
Farm Expansion Project, NT

JAMES COOK UNIVERSITY
Student Halls of Residence (Burralga Yumba), QLD

JAMES COOK UNIVERSITY
Engineering & Innovation Place, QLD

KIMBERLEY COTTON COMPANY
Kimberley Cotton Gin Project, WA

KIMBERLEY MINERAL SANDS
Thunderbird Mineral Sands Project, WA

MATER MISERICORDIAE LTD
Multi-Storey Car Park, QLD

NQ COWBOYS
Community, Training and High-Performance Centre, QLD

NT GOVERNMENT
Territory Infrastructure Loans, NT

SIGNATURE ONFARM
Beef Processing Facility, QLD

OPERATIONAL & NAIF LOAN REPAID

ONSLOW MARINE SUPPORT BASE
Onslow Marine Support Base, WA

PEMBROKE RESOURCES
Olive Downs Steelmaking Coal Project, QLD

PILBARA MINERALS
P680 Expansion, WA

QUEENSLAND AIRPORTS LIMITED
Redevelopment of Townsville Airport, QLD

VOYAGES INDIGENOUS TOURISM AUSTRALIA PTY LTD
Connellan Airport Upgrades and Accommodation, NT

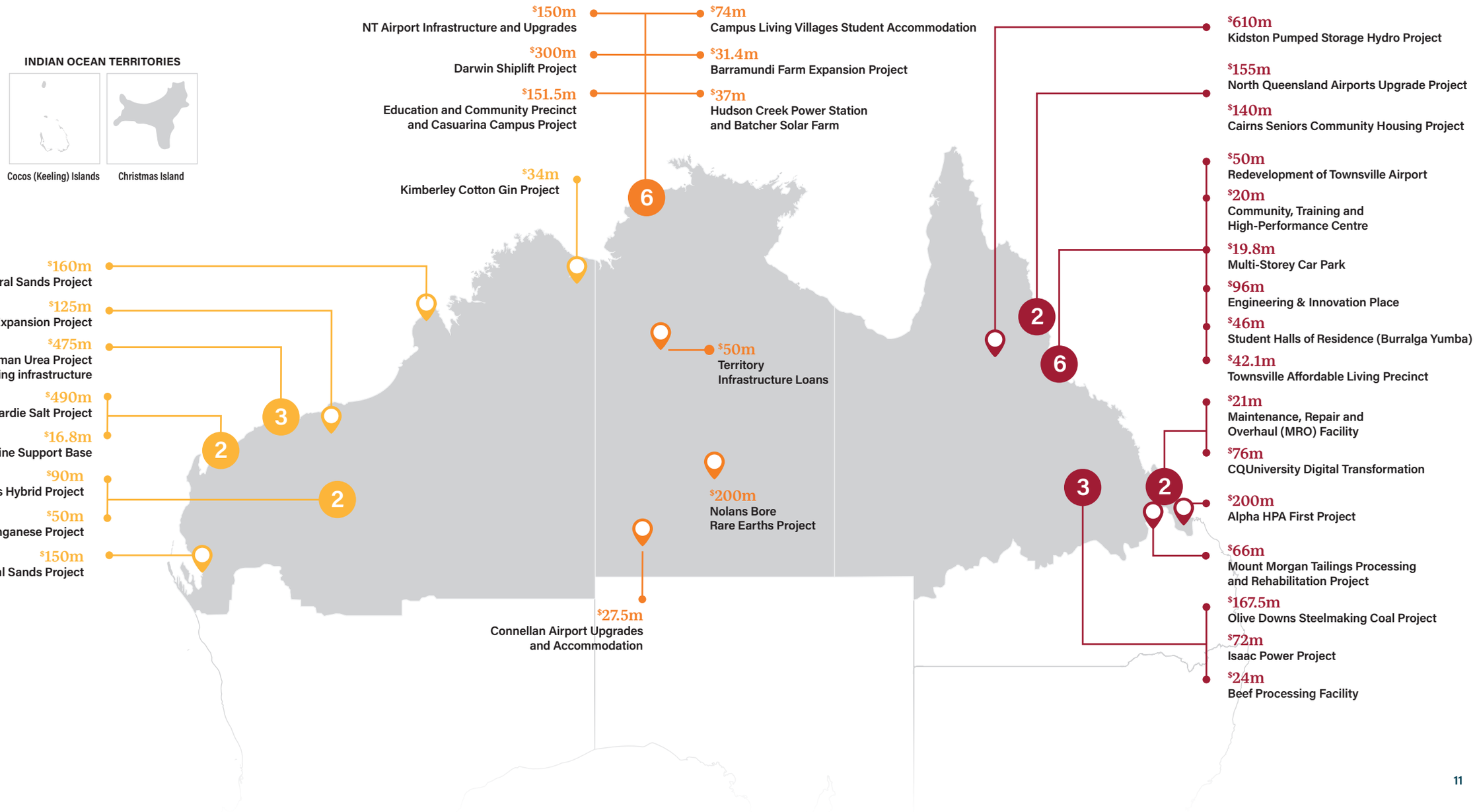
Active projects with a NAIF Investment Decision and utilising NAIF finance as at 30 June 2026.



CAMPUS LIVING VILLAGES PTY LTD
Campus Living Villages Student Accommodation, Darwin, NT

Projects
Investment Decisions

As of 30 June 2026, NAIF has provided support for 35 projects across northern Queensland, the Northern Territory and Western Australia, as well as the Australian Indian Ocean Territories.



From The Chair



Dear Stakeholders,

I am privileged to present NAIF's Annual Report for 2025-26, a year that marks two historic milestones for the Northern Australia Infrastructure Facility (NAIF).

A decade of investment

On 1 July 2026, NAIF celebrated its tenth anniversary since it opened for business under the *Northern Australia Infrastructure Facility Act 2016*. Today, with $4.5 billion committed across 35 projects, $3 billion drawn by proponents, and $33 billion in forecast public benefit, NAIF's record of delivery over the last decade is strong.

In the year to 30 June 2026, the value of Investment Decisions made by NAIF totalled $188.1 million. These three projects are forecast to generate $489 million in public benefit and support 631 jobs across the north. A further milestone this year was NAIF reaching $3 billion being drawn down by project proponents, a tangible measure of real infrastructure being built on the ground across Northern Australia.

None of this happened by itself. To our founding team, those who joined in the early years when there was no track record, thank you. The frameworks, culture, relationships and credibility that NAIF carries today were established in those formative years and are carried on today by people who believe in the mission and put in hard work to deliver.

To everyone who has worked at NAIF across the past decade - in investment, legal, portfolio management, Indigenous outcomes, stakeholder relations and communications, governance, risk and operations - your contribution is woven into every project NAIF has financed, in the jobs created and the communities supported.

The NAIF Amendment Act 2026

A further milestone this year came with the passage of the *Northern Australia Infrastructure Facility Amendment Act 2026*, which extends NAIF's Investment Mandate for a further ten years. The passing of the legislation was a clear and powerful signal that the Commonwealth Government is committed to the long-term development of Northern Australia, and has confidence in NAIF as the specialist financing vehicle to drive that growth.

The 2024 independent statutory review found strong support for NAIF across government, industry and the public. For our proponents, communities across the north, and our own team, this legislation means we can move forward with confidence. Projects in the pipeline can progress. New proposals can be put forward and considered knowing that NAIF is here for the long term.

" The passage of the Northern Australia Infrastructure Facility Amendment Bill 2026 is a defining vote of confidence in Northern Australia, in its people, and in the role NAIF plays in financing the infrastructure that transforms lives and communities across our north"

TRACEY HAYES | CHAIR

Policy and operating environment

NAIF recognises that the development of Northern Australia requires coordinated and sustained support across the public sector. We adopt a national partnership approach, working closely with Commonwealth Government departments, agencies and Specialist Investment Vehicles as well as with state and territory governments in the Northern Territory, Queensland and Western Australia, and with local government bodies.

NAIF's investments align with key Commonwealth priorities for Northern Australia, including economic diversification, critical minerals and clean energy development, regional infrastructure, housing and community wellbeing, and the economic empowerment of First Nations peoples.

Our priority remains to support the Australian Government's Northern Australia agenda including the vision of a sustainable and resilient Northern Australian economy across key policy areas including:

- Sustainable and resilient economic development and the alleviation of economic or social disadvantage in Northern Australia, and.
- Working with jurisdictions to deliver key infrastructure projects in Northern Australia.

Leadership and looking forward

I wish to acknowledge the leadership of our Chief Executive Officer Neil MacDonald, who joined NAIF in March 2026, and who has brought a new energy, and commitment to the role. I also extend my personal gratitude to Neil's predecessor Craig Doyle, who built NAIF from an emerging institution into a mature and respected specialist financier. Craig's legacy is evident in every project NAIF has supported over the last four years.

At Board level, this year Kate George stepped down from the NAIF Board following the conclusion of her term. I would like to thank Kate for her invaluable contribution to NAIF over the past seven years.

The challenges and opportunities before us, global instability, the energy transition, critical minerals, housing affordability, First Nations economic development, and the ongoing need to connect and support remote communities, are complex and consequential. NAIF's role in helping meet them has never been more important. I look forward with real optimism to the decade ahead.

Yours sincerely,



Tracey Hayes

CHAIR | NORTHERN AUSTRALIA INFRASTRUCTURE FACILITY

22 September 2026

Signed for and on behalf of members of the Board in accordance with a resolution of the Board and in accordance with section 46 of the Public Governance and Performance Accountability Act 2013 (PGPA Act).

From The CEO

Dear Stakeholders,

It is my privilege to present NAIF's Annual Report for 2025-26 - my first as Chief Executive Officer. Since commencing with NAIF in March 2026, I have travelled across the north to meet with project proponents, government partners, and community stakeholders in Queensland, the Northern Territory, and Western Australia. These conversations have underscored the tangible impact of NAIF's investments - supporting livelihoods, enabling critical infrastructure, and strengthening communities across the north.

Taking the helm

I would like to place on record my personal gratitude to my predecessor Craig Doyle. Under Craig's leadership, NAIF grew from an emerging institution into a mature and respected specialist financier with a demonstrable track record. The foundation Craig built - in portfolio quality, organisational capability and stakeholder relationships - positions NAIF strongly for the decade ahead.

I would like to express my gratitude to NAIF's responsible Ministers, the Hon Madeleine King MP, Minister for Resources and Minister for Northern Australia, and Senator the Hon Katy Gallagher, Minister for Finance, for their ongoing support in positioning NAIF at the heart of the Government's agenda for Northern Australia. I also thank officials at the Department of Infrastructure, Transport, Regional Development, Communication, Sport and the Arts in particular employees at the Office for Northern Australia.

A year of milestones

The 2025-26 year was defined by milestones on multiple fronts. The passage of the NAIF Amendment Bill extended our investment mandate for ten years, providing certainty to the organisation, our proponents and the communities of Northern Australia. This historic decision reflects the strength of NAIF's record and the confidence of government and industry in NAIF's continued role as the Commonwealth's specialist financier for the north.

The $3 billion drawdown milestone is, for me, one of the most meaningful measures of NAIF's work. It is not a paper figure - it represents real infrastructure built, communities connected, and economic activity generated across Northern Australia. Coupled with $350 million fully repaid to the Commonwealth, it demonstrates that NAIF's model works.



" These conversations have underscored the tangible impact of NAIF's investments - supporting livelihoods, enabling critical infrastructure, and strengthening communities across the north."

NEIL MACDONALD | CHIEF EXECUTIVE OFFICER

Investment activity

This year, NAIF made three new Investment Decisions, spanning affordable housing in Townsville, gas-fired energy infrastructure in Queensland's Bowen Basin, and student accommodation at Charles Darwin University in Darwin. These decisions reflect the diversified, community-focused Investment Mandate that distinguishes NAIF from conventional commercial lenders.

The Townsville Affordable Living Precinct, in particular, reflects NAIF's growing role in addressing housing affordability in Northern Australia, a critical need across the region. The CDU Student Accommodation project will directly improve access to tertiary education for students across the Northern Territory and the broader north.

Key project milestones

During the year, a number of important project milestones were achieved across the portfolio:

- The Kimberley Cotton Gin in Kununurra reached practical completion - a landmark outcome for the Kimberley region that will process local cotton, create ongoing employment, and support regional industry growth.
- Heritage Minerals' Mount Morgan Tailings Processing and Rehabilitation Project reached Financial Close, securing up to $66 million in NAIF finance. This project is forecast to create 400 jobs and rehabilitate one of the world's largest abandoned gold mines, turning an environmental liability into an economic asset.

These milestones illustrate the breadth of NAIF's impact, from agricultural processing in remote Western Australia to environmental remediation in central Queensland.

Indigenous outcomes

NAIF's mandate requirement for all proponents to develop and implement a bespoke Indigenous Engagement Strategy continues to set us apart as a development financier. With more than $279.4 million in Indigenous procurement and support for 1,315 Indigenous jobs reported across the portfolio, deepening proactive partnerships to support Indigenous economic development remains a priority for NAIF in the decade ahead.

Strategic alignment

Our geographic presence across Northern Australia – with staff located in Cairns, Darwin and Townsville - ensures we remain genuinely connected to the communities and industries we serve. This on-the-ground presence is essential to the quality of NAIF's Investment Decisions and its relationship with proponents.

Looking ahead

The decade ahead presents both significant challenges and extraordinary opportunities. Northern Australia's role in the energy transition, the global critical minerals supply chain, and the long-term development of remote communities will only grow in importance. As these opportunities emerge, the importance of project origination, early engagement and supporting project development will continue to increase. NAIF is uniquely positioned to identify emerging opportunities, help address financing gaps and unlock the investment needed to bring transformational projects to fruition. With a strong pipeline, proven capability and a ten-year mandate, NAIF is well placed to help unlock Northern Australia's next phase of growth and development.

I am honoured to lead this organisation into its second decade.

Yours sincerely,



Neil MacDonald

CHIEF EXECUTIVE OFFICER
NORTHERN AUSTRALIA INFRASTRUCTURE FACILITY

22 September 2026

Strategic Framework

Our investment environment*

NAIF's investment focus is Northern Australia, encompassing the Northern Territory, eligible regions of Queensland and Western Australia, and the Australian Indian Ocean Territories (Christmas Island and the Cocos (Keeling) Islands).

Northern Australia covers 53% of Australia's land mass with a population of approximately 1.4 million people, or 5.2% of the national population. Approximately 17.4% of the Northern Australian population is Indigenous, significantly higher than the national average. The region is a major contributor to national export earnings, and home to much of Australia's critical mineral endowment.

NAIF's role is to help bridge financing gaps for projects in Northern Australia, where factors such as remoteness, climate and infrastructure constraints can present additional challenges to project development and investment.

53% of Australia's land mass

10,000 kilometres of coastline

78% Land mass is covered by First Nations rights

1.4M People live in the north, 5.2% of Australia's population

36 Median age, with a young and diverse population

7 World Heritage Sites

990,627 Jobs in Northern Australia

96,000 Businesses in Northern Australia

Our Investment Mandate

To be considered for financing by NAIF, projects are required to meet the mandatory criteria outlined in our Investment Mandate. These criteria require that the project:

- Involves the development or enhancement of infrastructure
- Is of public benefit
- Is located in, or provides significant benefit to Northern Australia
- Has an Indigenous Engagement Strategy *(with the exception of the Indian Ocean Territories)*
- Can repay NAIF's debt

Investment process

NAIF's investment journey follows an infrastructure project lifecycle as illustrated below.

Early Assessment — We work with proponents to explore financing options

Advanced Assessment — Where we can help, more detailed due diligence takes place

Due Diligence — Analysis and verification of the investment opportunity

Investment Decision — NAIF Board allocates financial resources to a project

Contractual Close — Loan agreement prepared and signed

Financial Close — Any conditions to NAIF's support are met

Loan Management — Loan fulfilment depending on its terms

*Statistics provided by the Office of Northern Australia



GENEX POWER
Kidston Pumped Storage Hydro Project
Kidston, QLD

Legislative and Policy Environment

The NAIF Amendment Act 2026

The passage of the *Northern Australia Infrastructure Facility Amendment Act 202*6 extends NAIF's Investment Mandate for a further ten years, providing certainty to the organisation, proponents and the communities of Northern Australia.

The legislation follows the tabling in Parliament on 27 August 2025, of the independent Review of the Northern Australia Infrastructure Facility Act 2016, and the subsequent Ministerial Statement by the Minister for Northern Australia, the Hon. Madeleine King MP, endorsing NAIF's ongoing work and announcing the Government's intention to extend NAIF's operational lifespan. The independent review found strong support for NAIF across government, industry and the public, a testament to a decade of impactful investment.

With another ten years secured, NAIF can take on an even more significant role in shaping Northern Australia's future.

Government policy

NAIF acknowledges its important role at the heart of the Australian Government's Northern Australia agenda. Our investments support the Commonwealth's vision for a prosperous, resilient and sustainable north by enabling economic development, delivering critical infrastructure, supporting the energy transition, advancing the Critical Minerals Strategy and Future Made in Australia agenda, improving housing and community infrastructure, and creating lasting economic opportunities for First Nations peoples and communities.

Government collaboration and Specialist Investment Vehicles

NAIF recognises that the development of Northern Australia requires coordinated action across government. We work closely with Australian Government departments and agencies, fellow Specialist Investment Vehicles (SIVs), and state, territory and local governments to align investment activity with national and regional priorities.

During 2025–26, NAIF continued its active participation in the Department of Finance's Specialist Investment Vehicle Forum, supporting collaboration and knowledge sharing across government financiers through specific group sessions including, risk, stakeholder engagement operations and reporting. Through the Future Made in Australia Investor Council, the Chief Investment Officer engaged with the Front Door Policy Team and collaborated with fellow SIVs, including the Clean Energy Finance Corporation, to support investment opportunities in renewable energy, critical minerals and regional economic development.

NAIF also worked closely with the Net Zero Economy Authority on matters relating to economic transition and participated in the Mount Isa Technical Advisory Group, hosted by the Department of Industry, Science and Resources' Industrial Transition Response Team, providing input on potential investment and development opportunities associated with the Mount Isa region.

The Chief Sustainability Officer participated in the Department of Finance's Chief Sustainability Officer Network, contributing to cross-government collaboration on climate action, sustainability and reporting practices. NAIF's Chief Executive Officer also participated in cross-government Future Made in Australia discussions convened by the Minister for Industry and Innovation and the Minister for Science, supporting alignment between investment priorities and the Australian Government's industrial transformation agenda.

These partnerships strengthen NAIF's ability to support Australian Government priorities and maximise economic and social outcomes for Northern Australian communities.

Supporting national priorities

During 2025–26, NAIF continued to support the Australian Government's priorities for Northern Australia by financing infrastructure that promotes economic development, regional resilience and long-term prosperity.

Northern Australia remains central to the nation's economic future, particularly through its role in the energy transition, critical minerals development and the delivery of infrastructure that supports growth, including housing. Consistent with the Future Made in Australia agenda, NAIF's investment pipeline includes opportunities to enable critical minerals processing, support renewable energy development, address infrastructure constraints and strengthen regional economies across Northern Australia.

NAIF also continued to support projects aligned with Australia's transition to a net zero economy, including renewable energy, enabling infrastructure and industries that contribute to emissions reduction and economic diversification. These investments have the potential to unlock private sector investment, strengthen regional economies and enhance Australia's sovereign capability in strategically important sectors.

As Northern Australia continues to attract investment across critical minerals, clean energy, housing and other priority sectors, NAIF remains well positioned to provide the long-term finance needed to support nationally significant infrastructure and deliver lasting benefits for regional communities.

Informing Indigenous policy and investment

NAIF continued to engage with key Commonwealth agencies, Indigenous organisations and Land Councils throughout 2025–26 to strengthen Indigenous outcomes across its investment portfolio and support alignment with government policy and priorities.

This included engagement with the National Indigenous Australians Agency (NIAA), the Office of Northern Australia (ONA), Indigenous Business Australia (IBA), the Indigenous Land and Sea Corporation (ILSC), Aboriginal Investment NT (AINT), the Clean Energy Finance Corporation (CEFC), the First Nations Clean Energy Network, and Land Councils across Northern Australia. These relationships provided valuable insights into Indigenous economic development, participation opportunities and emerging policy priorities.

NAIF also continued to consult with and provide input to the Office of Northern Australia and its Indigenous Reference Group (IRG). Through these engagements, NAIF shared practical experience and insights from its investment portfolio to help inform discussions on Indigenous economic development, infrastructure investment and opportunities to strengthen First Nations participation.

Engagement with the First Nations Clean Energy Program within the Department of Climate Change, Energy, the Environment and Water (DCCEEW) further strengthened NAIF's understanding of the opportunities arising from Australia's energy transition and the role First Nations peoples can play in the development, ownership and benefit-sharing of clean energy projects.

Through these partnerships and engagements, NAIF continues to strengthen its Indigenous outcomes framework, contribute to policy discussions and support meaningful First Nations participation in Northern Australia's economic development.



PERDAMAN
Perdaman Urea Project and supporting infrastructure
Pilbara region, WA

Investment Report 2025–2026

In the year to 30 June 2026 NAIF made three Investment Decisions totalling $188.1 million.

These decisions reflect the diversity of NAIF's investments: supporting energy security in regional Queensland, addressing housing affordability in Townsville, and improving access to tertiary education in Darwin.

Together, these decisions reflect the breadth of NAIF's mandate and the continued strength of project pipeline across all three jurisdictions.

Summary of Investment Decisions made in FY25-26

DARWIN, NT

CAMPUS LIVING VILLAGES (CLV)

Campus Living Villages Student Accommodation

400+ new student beds at Charles Darwin University.

Investment Decision	Loan tenor	Social Infrastructure
$74M	20 YEARS	



TOWNSVILLE, QLD

HURST HOLDING COMPANY PTY LTD†

Townsville Affordable Living Precinct

81 new social and affordable housing units in Townsville.

Investment Decision	Loan tenor	Social Infrastructure
$42.1M	2 YEARS	



MORANBAH, QLD

QPM ENERGY LIMITED*

Isaac Power Project

Grid-strengthening gas-fired power station.

Investment Decision	Loan tenor	Energy
$72M	12 YEARS	



† Post 30 June 2026 the proponent advised that the project is unlikely to proceed and NAIF's original investment decision may not be required. No financial assistance has been provided by NAIF.

* Following NAIF's original Investment Decision, post 30 June 2026 the proponent appointed voluntary administrators. NAIF has no financial exposure to QPM as Contractual Close had not been achieved and so no financial assistance has been provided.

TOWNSVILLE, QUEENSLAND

HURST HOLDING COMPANY†

Townsville Affordable Living Precinct

INVESTMENT DECISION

INVESTMENT DECISION: APRIL 2026

NAIF LOAN	SECTOR	FORECAST PUBLIC BENEFIT	FORECAST JOBS
$42.1M		$36.2M	160
Up to	Social Infrastructure	Economic impact	During construction and operations

Project overview

The Townsville Affordable Living Precinct is proposed to deliver 81 new social and affordable housing units and is expected to accommodate up to 240 residents, comprising 21 social housing units and 60 affordable housing units across a mix of one, two and three-bedroom configurations.

The project directly addresses a critical housing affordability challenge and will help to improve housing availability and living standards for hundreds of vulnerable residents in regional Queensland.

When completed, Regional Housing Limited will purchase and manage the development.

How NAIF helped

NAIF's ability to accept early-stage construction risk in Northern Australia helped the project move forward.

By bridging the construction finance requirement, NAIF's loan supports the project reaching completion and transitioning to longer term funding and operations.

INDIGENOUS ENGAGEMENT STRATEGY COMMITMENTS

The proponent has developed an Indigenous Engagement Strategy focused on practical participation, procurement, training and employment pathways for Traditional Owners and the broader First Nations community in Townsville, which includes:

- Ongoing engagement with Wulgurukaba representatives and local First Nations networks.
- Procurement opportunities for First Nations businesses through targeted work packages, early engagement, and at least one mentorship pairing between contractors.
- A 3% First Nations employment target.



† Post 30 June 2026 the proponent advised that the project is unlikely to proceed and NAIF's original investment decision may not be required. No financial assistance has been provided by NAIF.



DARWIN, NORTHERN TERRITORY

CAMPUS LIVING VILLAGES STUDENT ACCOMMODATION

Campus Living Villages

INVESTMENT DECISION

INVESTMENT DECISION: FEBRUARY 2026

NAIF LOAN	SECTOR	FORECAST PUBLIC BENEFIT	FORECAST JOBS
$74M		$202M	346
Up to	Social Infrastructure	Economic impact	During construction and operations

Project overview

The CDU Student Accommodation project comprises two elements: (i) a new 14-storey, 352-bed purpose-built student accommodation building adjacent to the Charles Darwin University campus in the Darwin CBD; and (ii) partial refurbishment of existing on-campus accommodation at CDU's Casuarina campus, adding a further 50 beds.

Together, the project will deliver more than 400 new student beds, meaningfully improving access to tertiary education in the Northern Territory and reducing a key barrier to university participation for students from across the north. A key aspect of the project is the increased supply of affordable, high-quality student accommodation in a competitive rental market. By delivering more beds and modern facilities, the project will help ease housing pressures for students and provide better living standards.

How NAIF helped

NAIF's concessional loan plays a crucial role in bridging the funding gap for this initiative. The loan offers a longer tenor of up to 20 years, providing the project with extended repayment terms. The project finance incorporates a tailored repayment profile, ensuring that the project can effectively manage its financial commitments over time.

With competitive pricing structured to reflect the project's long-term public benefit, this financing mechanism empowers CLV to deliver affordable student accommodation in Darwin. It also enables the organisation to navigate the construction and operational risks that are commonly associated with regional development, ensuring the project's sustainability and positive impact on the local community.

INDIGENOUS ENGAGEMENT STRATEGY COMMITMENTS

CLV has developed an IES in consultation with the Larrakia Nation Aboriginal Corporation (LNAC) and other local Indigenous organisations. The strategy is designed to support meaningful participation, employment, training and procurement outcomes throughout construction and operations.

Key commitments under the IES include:

- Cultural recognition through building design, wayfinding, artwork and naming
- Ongoing engagement with Larrakia organisations to embed culture and connection to Country
- Employment target of 10% during construction and 14% during operations
- Procurement target of 3% during construction and throughout operations
- Annual accommodation scholarships for First Nations students studying at Charles Darwin University





MORANBAH, QUEENSLAND

ISAAC POWER PROJECT

QPM Energy Limited

INVESTMENT DECISION

INVESTMENT DECISION: JANUARY 2026*

NAIF LOAN	SECTOR	FORECAST PUBLIC BENEFIT	FORECAST JOBS
$72M		$251M	125
Up to	Energy	Economic impact	During construction and operations

Project overview

The Isaac Power Project is a gas-to-power generation initiative located in Moranbah, central Queensland, aimed at supporting Queensland's transition to net zero electricity. It includes gas turbines and a proposed battery storage system designed to provide flexible, low-cost, and reliable energy while reducing emissions.

The project features two 56MW open cycle gas turbines, gas compression facilities linked to the North Queensland Gas Pipeline, and auxiliary infrastructure including a water treatment plant and a new overhead electricity line to the National Energy Market.

The project will strengthen energy security and stability for the region's significant mining and industrial activity. The station will provide critical grid-support capacity for a part of Queensland where energy reliability is essential to economic activity.

How NAIF helped

NAIF structured a concessional financing solution designed to support the delivery of the project alongside private sector investment. This included a longer loan tenor aligned with the project's operating life, affordable pricing, and a repayment profile tailored to expected cash flows and market conditions.

INDIGENOUS ENGAGEMENT STRATEGY COMMITMENTS

Project proponent QPM Energy has committed to Indigenous participation through a comprehensive Indigenous Engagement Strategy, which includes:

- A 'Local First, Traditional Owner Preferred' procurement model.
- A 6.2% First Nations procurement target.
- Technical training pathways for Traditional Owners and local First Nations people.
- Preferred procurement pathways for First Nations businesses.
- Caring for Country initiatives, including native seed collection, land management and regeneration activities led by Barada Barna Traditional Owners.



* Following NAIF's original Investment Decision, post 30 June 2026 the proponent appointed voluntary administrators. NAIF has no financial exposure to QPM as Contractual Close had not been achieved and so no financial assistance has been provided.

Portfolio Report

Aligned with our Investment Mandate, NAIF supports projects that deliver significant public benefits and contribute to the long-term development of Northern Australia, while maintaining appropriate safeguards to ensure financial management of credit exposures.

NAIF's portfolio management team is guided by our Investment Mandate and Risk Appetite Statement, considering a high-risk tolerance for factors that are unique to investing in Northern Australia. These include challenges relating to accessing capital from commercial markets, due to unique risks of Northern Australia that impact project delivery such as distances, remoteness and climate.

As part of our normal course of business, we follow rigorous Due Diligence and assessment processes to manage risk. We work with proponents across the investment lifecycle to ensure projects have every chance of success and deliver the economic and social benefits to regional communities. Our team works closely with proponents to actively manage risks as they arise, both with individual proponents and projects, as well as across the entire portfolio.

NAIF is committed to being a responsible steward of public funds, supporting projects that create jobs, strengthen regional economies and deliver lasting public benefits. Guided by our experienced team and independent Board, we seek to balance development impact with sound investment outcomes to deliver value for Australian taxpayers.

As part of its ongoing portfolio management approach, NAIF continues to incorporate lessons into new Investment Decisions, including refinements to Due Diligence, monitoring and transaction structuring. This is intended to strengthen resilience across the portfolio while maintaining NAIF's capacity to support infrastructure that delivers long-term economic and social benefits across the north.

Project drawdowns

In 2025-26, NAIF recorded a significant portfolio milestone, with total funds drawn by project proponents reaching $3 billion. As drawdowns generally occur progressively in line with agreed construction and delivery milestones, this amount provides a practical indicator of the infrastructure activity being supported across Northern Australia. It reflects financing moving from commitment into project delivery, as proponents use NAIF funds to advance construction, procurement and related works.

Project repayments

A total of five borrowers have fully repaid their NAIF loans returning approximately $350 million to the Commonwealth and those projects will continue to deliver jobs and lasting economic benefits to their regions.

Proponents repaying their NAIF loans in full:

- Onslow Marine Support Base, Western Australia.
- Queensland Airports Limited: Redevelopment of Townsville Airport, Queensland.
- Pembroke Resources: Olive Downs Steelmaking Coal Project, Queensland.
- Pilbara Minerals: P680 Expansion, Western Australia
- Voyages Indigenous Tourism Australia, Connellan Airport Upgrades and Accommodation, Northern Territory.

Proponents no longer proceeding with NAIF financing

Following an Investment Decision by NAIF, on occasion some of NAIF's proponents do not proceed with utilising NAIF financing. Reasons for this can include the proponent refinancing and no longer requiring NAIF funding to being unable to meet conditions precedent and therefore not reaching Financial Close with NAIF.

Where projects can proceed without NAIF financing, we regard this as a success because NAIF has ultimately helped de-risk a project and enabled the proponent to secure capital from the private sector. This funding can then be reallocated to support other priority projects across Northern Australia.

Impaired exposures

Where projects become impaired or otherwise experience material financial or operational difficulty, NAIF works with co-lenders, security trustees, receivers and other stakeholders to protect the Commonwealth's position and optimise recovery outcomes, while remaining mindful of the broader public benefit and employment outcomes supported by the underlying projects.

NAIF's approach to impaired projects is grounded in prudent stewardship of taxpayer funds, balanced with the reality that the Facility was established to invest in complex, transformational projects in Northern Australia that may not otherwise attract sufficient private sector finance.

The Kalium Lakes Beyondie Sulphate of Potash Project remains one of NAIF's impaired exposures. NAIF invested $74 million in 2019 and a further $10 million in 2021 to support construction of the project and the development of a domestic sulphate of potash industry. Following commissioning issues, the project proponent entered administration and receivership in August 2023. The receivership process for this Project is in its concluding stages. The last outstanding item is a claim for Research & Development with the ATO. Distribution to lenders is expected over FY26-27. NAIF has recorded a specific loss provision of $80.7 million versus a loan exposure of $84 million.

In relation to the Coburn Heavy Mineral Sands Project, NAIF provided a $150 million loan in 2020 to support construction of the facility in Western Australia's Gascoyne region. NAIF identified emerging project delivery issues through its portfolio monitoring processes, with the extent of liquidity and commissioning challenges becoming evident during 2023. After attempts to secure further capital were unsuccessful, voluntary administrators and then receivers were appointed in 2025.

The Project has been sold to Japanese industrial company, Iwatani, under a Deed of Company Arrangement. Distribution to lenders is expected over the course of FY26 and FY27. NAIF has recorded a specific provision of $144.57 million versus a loan exposure of $150 million.

NAIF's portfolio management reporting has identified ongoing challenges at the Thunderbird Mineral Sands Project, including commissioning and operational issues, liquidity pressure and weak market pricing, with NAIF and its co-lender having provided additional time to the proponent for operational improvements.



ALPHA HPA
HPA First Project, Gladstone, QLD

Portfolio
Milestones

During the reporting period, NAIF-backed projects continued to progress from development into delivery. Two examples are the Kimberley Cotton Gin in Western Australia and Heritage Minerals' Mount Morgan Tailings Processing and Rehabilitation Project in Queensland.



KIMBERLEY COTTON COMPANY

Kimberley Cotton Gin

The Kimberley Cotton Gin, delivered by Kimberley Cotton Company in Kununurra, was officially opened in August 2025 and is now operational. Supported by a NAIF loan of up to $34 million, the facility is the first commercial-scale cotton processing plant in Western Australia and enables cotton grown in the Ord Valley and surrounding areas to be processed locally rather than transported more than 3,500 kilometres interstate. This represents a significant step in building a more efficient and regionally based cotton supply chain in Northern Australia.

Following completion of construction in 2025, the project has moved into its first phase of operations, with publicly reported inaugural processing outcomes indicating strong early utilisation. The project is expected to reduce transport costs for growers, improve supply chain resilience and support the longer-term expansion of cotton production across the Kimberley and adjacent regions.



HERITAGE MINERALS

Mount Morgan Tailings Processing and Rehabilitation Project

In Central Queensland, Heritage Minerals' Mount Morgan Tailings Processing and Rehabilitation Project continued to advance toward delivery. Backed by a NAIF loan of up to $66 million, the project is intended to reprocess legacy tailings at the historic Mount Morgan mine while supporting site rehabilitation and broader environmental restoration outcomes.

The project has progressed through early works and site development activities, including completion of the coffer dam, processing plant footings, and other supporting infrastructure. The project critical path remains focused on key areas including piping, pipe support, cabling, and electrical installation works. Once operational, the project is expected to recover gold and copper from historic tailings while contributing to the long-term rehabilitation of one of Queensland's most significant legacy mine sites.

Project Outcomes



ALLIANCE AIRLINES

Maintenance, Repair and Overhaul (MRO) Facility

NAIF's $21 million loan, approved in 2021, supported the construction of Alliance's aircraft maintenance repair and overhaul facility at Rockhampton Airport.

The Rockhampton facility was undertaken to enable Alliance to relocate the maintenance of its entire aircraft fleet from Europe to Australia.

Project outcomes to date:

- Construction activity is estimated to have supported 141 direct and indirect jobs in the Rockhampton region and contributed $12 million to Gross Regional Product.
- Construction activity supported the employment of 9 Indigenous employees.
- Operation of the facility in the 2024-25 financial year is estimated to have contributed $2 million to Gross Regional Product.
- 52 direct and indirect jobs were supported by operations of the facility in the 2024-25 financial year.
- The Project has enabled the development of a Licensed Aircraft Maintenance Engineer apprenticeship and trade assistant training program in Rockhampton.
- To date, six Licensed Aircraft Maintenance Engineer apprentices have commenced training at the Rockhampton facility, 20 students have completed an Introduction to Aviation Trade Assistant course, and 53 students have completed a Certificate II in Aircraft Line Maintenance.
- The new skilled positions in Rockhampton, together with education opportunities offered through the Proponent's training and apprenticeship program, provide a career path in the aviation industry not otherwise available in Central Queensland.



JAMES COOK UNIVERSITY

Student Halls of Residence (Burralga Yumba)

A $46 million NAIF loan, approved in 2020, was used to finance the construction of a new student accommodation facility, known as Burralga Yumba, at James Cook University's Townsville campus.

James Cook University is one of Northern Australia's key tertiary institutions. With campuses in Townsville and Cairns and study centres across the region, it educates more than 21,000 students across a broad range of disciplines.

The seven-storey, 10,000m^2 student accommodation facility offers 403 bedrooms along with high-quality communal and study spaces. The facility plays a central role in James Cook University's campus renewal program.

Project outcomes to date:

- Construction of the student accommodation facility is estimated to have supported 218 direct and indirect jobs and contributed $21 million to Gross Regional Product.
- Construction activity supported the employment of 16 Indigenous employees and $1.8 million in procurement with Indigenous business.
- The facility has achieved an average occupancy rate of 95 per cent per annum.
- In the FY24-25, the facility employed 26 full-time employees.
- In FY24-25, a further 112 employees are estimated to have been supported by the increased recruitment and retention of students at James Cook University's Townsville campus, driven by the increased provision of high-quality student accommodation.
- In the FY24-25, operations of the facility are estimated to have contributed $22 million to Gross Regional Product.
- The facility showcases local Bindal culture through its design, naming, signage, and commissioned artwork.

Indigenous Outcomes
Cumulative Portfolio Results

Cumulative Portfolio Results

$279.4M
Indigenous procurement

1,315
Indigenous jobs supported

Supporting Indigenous economic outcomes is central to NAIF's purpose as a development financier for Northern Australia. Every project NAIF finances is required to develop and implement a bespoke Indigenous Engagement Strategy (IES), ensuring that First Nations communities are considered meaningfully in project construction and long-term operations. The IES requirement is embedded in NAIF's investment process and finance documentation, requiring proponents to identify practical opportunities for Indigenous participation, procurement and employment that are tailored to the project, the region and the aspirations of local Traditional Owners and First Nations communities.

NAIF's Indigenous Outcomes team works across the project lifecycle, from early assessment and investment Due Diligence through to portfolio monitoring. The team supports proponents to develop strategies that are sustainable, achievable and grounded in local context. This includes helping proponents identify First Nations stakeholders, understand labour market and supplier capability, assess delivery risks, and translate project activity into practical pathways for employment, skills development, business participation and community benefit. The process is collaborative and iterative, often involving proponents, Traditional Owner groups, Prescribed Bodies Corporate, land councils, Aboriginal corporations, community-controlled organisations, training providers, Indigenous businesses and government partners.

Under NAIF's Mandatory Criterion 5, proponents must set out clear objectives for Indigenous participation, procurement and employment. Once a project reaches Financial Close, proponents report to NAIF on IES performance every six months during construction and annually during operations.

NAIF is revising the IES Guideline to strengthen expectations and accountability under the mandatory IES criterion. The amendments will provide clearer guidance to achieve First Nations outcomes across construction and operational phases, supported by an updated toolkit and templates.

Progress across the portfolio

NAIF's portfolio continues to demonstrate the value of making Indigenous outcomes a mandatory, measurable and monitored part of infrastructure investment. Since 2016, NAIF proponents have reported at least $279.4 million in procurement with Indigenous businesses and have supported 1,315 Indigenous jobs across projects.

There are currently 24 active Indigenous Engagement Strategies, reflecting projects that have reached Financial Close and are reporting against agreed obligations. These outcomes are expected to continue to grow as more projects move from investment decision to drawdown, construction and operations.

Across the north, proponents are using their IES commitments to build stronger local partnerships and create tangible opportunities. Examples of effective IES delivery have included James Cook University, Cairns Seniors Community Housing Project in Queensland, Charles Darwin University in the Northern Territory, and the Kimberley Cotton Company in Western Australia.





These projects show how tailored strategies can support First Nations participation in sectors as diverse as education, housing and agriculture infrastructure. In practice, this can include Indigenous employment pathways, apprenticeships and training, supplier engagement, cultural awareness programs, community partnerships and dedicated local engagement roles.

Leadership across government

NAIF recognises that many Indigenous economic outcomes require more than project-level commitments. For this reason, NAIF continues to work closely with Commonwealth, jurisdictional and Indigenous-focused agencies to support broader Indigenous economic development across Northern Australia. This includes regular engagement with the Office of Northern Australia, the Northern Australia Indigenous Reference Group and Aboriginal Investment NT, as well as coordination with the National Indigenous Australians Agency, Indigenous Business Australia and the Indigenous Land and Sea Corporation.

Over the year, NAIF's Indigenous Outcomes team shared its experience and lessons with other Specialist Investment Vehicles, including the Clean Energy Finance Corporation, Export Finance Australia and Housing Australia, alongside commercial lenders. This engagement has helped build broader understanding of how Indigenous outcomes can be embedded within investment decision-making and financing frameworks.

These relationships help NAIF exchange information, identify emerging opportunities, understand regional priorities and strengthen support for proponents and communities. NAIF also engages with other government financing bodies, jurisdictions, Indigenous organisations and policy partners to share insights from the IES model and contribute governance arrangements, and supporting initiatives that build cultural capability and awareness across the organisation. The RAP provides a practical structure for NAIF to align internal action with the external outcomes it seeks through the IES program.

Enhanced Cultural Awareness

NAIF has continued to build cultural capability across the organisation through learning and training initiatives designed to increase employees' understanding of Indigenous cultures, histories and contemporary experiences. During the year, NAIF introduced an online cultural awareness program for employees, providing a consistent foundation for staff to strengthen their cultural understanding and confidence.

This online program complements NAIF's existing in-house learning and engagement activities and supports a more culturally competent workforce capable of engaging meaningfully and respectfully with First Nations communities, stakeholders and project partners. The program also reinforces the organisation-wide nature of NAIF's reconciliation commitment by making cultural learning accessible to employees across all locations and business areas.

Community engagement initiatives

NAIF continues to encourage staff participation in events and activities that recognise and celebrate First Nations cultures, histories and achievements, including National Reconciliation Week, NAIDOC Week and other community initiatives.

These activities support greater awareness across the organisation and reinforce NAIF's commitment to reconciliation. They also provide opportunities for employees to engage with the meaning of reconciliation in practical ways and to better understand the role NAIF can play in supporting Indigenous economic development across Northern Australia.

Artist: Bernard Singleton © 2021

Annual Performance Statement

Introductory Statement

I, on behalf of the accountable authority, the Board of the Northern Australia Infrastructure Facility (NAIF), present the FY25-26 Annual Performance Statement of NAIF, as required under paragraph 30(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

In our opinion, based on material provided to the Board, this Annual Performance Statement accurately reflects the performance of the entity and complies with subsection 39(2) of the PGPA Act.



Tracey Hayes
CHAIR OF THE NAIF BOARD

Purpose

NAIF contributes to the Nation by investing in the growth of Northern Australia.

NAIF achieves its purpose by fulfilling its legislative functions which are:

- to provide financial assistance, predominantly through the States and Territories, to other entities for the development of Northern Australia economic infrastructure; and
- to determine terms and conditions for financial assistance; and
- to provide assistance to the States and Territories in relation to financial arrangements and agreements related to the financial assistance.

NAIF finances (or facilitates the development of) infrastructure projects including assets that enable the establishment or enhancement of business activity or increase economic activity in a region. We finance projects such as common user infrastructure, physical structures, assets (including moveable assets) or facilities which underpin or are associated with:

- Investing
- Growing Northern Australia
- Delivering Indigenous Outcomes
- Contributing to the Nation

NAIF's contribution to the Nation is reflected in the economies of the north by way of the public benefit value generated by projects. This includes economic growth, employment opportunities, regional development, procurement opportunities for local suppliers, and the delivery of First Nations engagement initiatives.

NAIF's purpose facilitates the achievement of a program outcome, as outlined in the FY25-26 Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts Portfolio Budget Statement (page 462), to 'enable economic growth in Northern Australia, by facilitating private sector investment in economic infrastructure, primarily through the provision of concessional financing delivered through the State and Territory Governments.'

Results

NAIF achieved seven of its performance criteria, while partially achieving three criteria and not achieving two performance criteria. A summary of results is included in figure 1.

NAIF has made favourable progress over FY25-26 with the Board making three Investment Decisions to offer loans totalling $188 million , to support projects with a total capital value over $428 million.

The analysis of NAIF's overall performance should be read in conjunction with the remainder of the Annual Report including the Chair and CEO Report. Consistent with prior years, NAIF has assessed its performance against targets using three ratings: Achieved, Partially Achieved and Not Achieved. Targets that were not fully met, but for which measurable progress was achieved, have been assessed as Partially Achieved.

Figure 1: NAIF Performance Summary for FY25-26

Source of Performance Criterion: NAIF Corporate Plan FY25-26 page 9-12

	Performance criteria	Measure /Target	Outcome
Financing transformational opportunities in Northern Australia			
1.	**DOLLAR VALUE OF INVESTMENT DECISIONS** (ID's)	*>$700 million*	**Partially achieved** $188 million of Investment Decisions against a target of >$700 million. Each proposal is assessed on its merits, independently of this target.
2.	**CAPITAL DEPLOYED** (Ie cumulative drawdowns)	*> $3.0 billion*	**Achieved** NAIF has deployed a cumulative total of $3.082 billion against a target of >$3 billion.
3.	**NAIF LOAN RATIO** (Private sector contribution to NAIF finances)	*<75% contribution*	**Achieved** NAIF finance is a cumulative total of 44% of the capital contributed across the three Investment Decisions, meaning the private sector has contributed the other 56% of required capital for the projects.
Facilitates economic and sustainable growth			
4.	**PUBLIC BENEFIT** (Dollar value of forecast public benefit from Investment Decisions)	*>$4 billion*	**Partially achieved** Total public benefit of $489 million forecast across the three Investment Decisions.
5.	**JOB CREATION** (Forecast direct and indirect jobs from Investment Decisions)	*>2,500 jobs*	**Partially achieved** Total jobs forecast of 631 across the three Investment Decisions.
Delivering Indigenous Outcomes			
6.	**INDIGENOUS STRATEGIES** (New investments in projects with significant Indigenous ownership)	*> 2 new Investments (small loan and/or ID)*	**Not achieved** The three Investment Decisions in FY25-26 did not have significant Indigenous ownership.
7.	**INDIGENOUS EMPLOYMENT** (Annual average percentage of Indigenous specific jobs for new ID's)	*>5 %*	**Achieved** The three Investment Decisions in FY25-26 committed to an average percentage of 8.5% of new jobs being Indigenous specific jobs.
Efficient use of NAIF resources			
8.	**NAIF IS NET ZERO COST TO GOVERNMENT** (Net notional revenue covers operational expenses for the year)	*>1*	**Achieved** Net notional revenue in FY25-26 totalled ~ $48 million, over twice the annual operating budget and ~2.4x actual expenditure.

	Performance criteria	Measure /Target	Outcome
Collaborate and partner to ensure cohesive efforts to advance Northern Australia			
9.	**EFFECTIVE STAKEHOLDER ENGAGEMENT AND THOUGHT LEADERSHIP ON GROWTH FOR NORTHERN AUSTRALIA** (Rating of good or better by NAIF' s Stakeholders in stakeholder survey)	*80%*	**Not achieved** NAIF planned to undertake qualitative research on its new products in FY25-26; however, pending the new Investment Mandate, the program will now be delivered in FY26-27. Broader quantitative brand research measuring stakeholder satisfaction is also scheduled for FY26-27.
10.	**DEMONSTRATE ACTIVE COLLABORATION WITH OTHER SPECIALIST INVESTMENT VEHICLES (SIV'S), AND ACTIVITIES THAT ADVANCE INDIGENOUS ECONOMIC EMPOWERMENT**	✓	**Achieved** During FY25-26 the NAIF stakeholder relations team met with other SIVs on a regular basis with 13 meetings held in FY25-26. In addition, the Indigenous Outcomes team held regular meetings with IBA, NIAA, ILSC, and Traditional Owner organisations such as prescribed bodies corporate, land councils and other Traditional Owner groups.
Supporting Government priorities			
11.	**DEMONSTRATE ALIGNMENT OF INVESTMENT DECISIONS TO GOVERNMENT POLICY PRIORITIES** (Each ID contributes to at least one Government priority)	*>1*	**Achieved** Each of the three Investment Decisions were aligned with at least two Government policy priorities.
12.	**DEVELOP STRATEGIES FOR NAIF OPERATIONS TO MEET GOVERNMENT PRIORITIES**	✓	**Achieved**

Analysis of Performance Criteria

1. Dollar Value of Investment Decisions

Figure 2: Summary of Investment Decisions made in FY25-26

Proponent	Jurisdiction	Project	NAIF Loan Investment Decision	Total Project Size
Campus Living Villages	Darwin, NT	CLV Student Accommodation	$74m	$115.8m
Hurst Holding Company Pty Ltd[1]	Townsville, QLD	Townsville Affordable Living Precinct	$42.1m	$52.5m
QPM Energy Limited[2]	Moranbah, QLD	Isaac Power Project	$72m	$260m

NAIF has committed new investment finance of $188 million through FY25-26 Investment Decisions against a target of >$700 million. Several projects that were in the pipeline did not progress to the Investment Decision stage. The reasons included a material increase in construction costs, delays in securing offtake agreements, higher interest rates, ongoing tight labour market conditions and higher geopolitical risks. NAIF continues to work with proponents to support projects that are aligned to our legislative instruments.

The total capital value of projects NAIF has supported during the year is $428 million. The projects reflect NAIF's role in developing Northern Australia and include the construction of new student accommodation in Darwin (CDU Student Accommodation) and social and affordable housing units in the Townsville (Townsville Affordable Living Precinct).

Since inception NAIF has financed a diversified spread of projects across both geography and sector, as illustrated on the Northern Australia map on pages 10-11 of this report.

2. Capital deployed

During FY25-26, NAIF deployed around $500 million to supported projects. Total capital deployed since inception is over $3.08 billion.

3. NAIF loan ratio

Over the three Investment Decisions in FY25-26, NAIF loans accounted for approximately 44% of the projects total capital value, meaning that other sources of capital have supported 56% of the value of these projects.

4. Public Benefit

To be eligible for NAIF financial assistance under the Investment Mandate, mandatory criteria 2, requires that the Board must be satisfied that the proposed project:

- Will produce benefits to the broader economy and community beyond an economic return to the Project Proponent.

Public benefit on each project was independently assessed in line with NAIF's Public Benefit Guideline which outlines the requirements of the NAIF Board. The potential benefits vary for each project and have been assessed spanning different periods depending on the life of the asset. Public benefits are assessed quantitively, where possible, to determine a net public benefit number. Where it is not possible to value costs and benefits in monetary terms, they are considered qualitatively. Construction jobs and operational jobs are also forecast (see further information in 5. Jobs Creation).

The FY25-26 Investment Decisions are forecast to generate $489 million of quantified public benefit to the Northern Australia economy being a multiplier of 2.6 times for every NAIF loan dollar committed.

The following public benefit has been recognised in this financial year:

- CLV Student Accommodation – the project will deliver more than 400 new student beds in Darwin. Economists have forecast an economic impact of $202 million to the Northern Territory over construction and the first twenty years of operational life. It was also forecast that 302 direct and indirect

[1] Post 30 June 2026 the proponent advised that the project is unlikely to proceed and NAIF's original investment decision may not be required. No financial assistance has been provided by NAIF.

[2] Post 30 June 2026 the proponent appointed voluntary administrators. NAIF has no financial exposure to the Project because contractual close had not been achieved and no financial assistance was provided.

jobs will be generated during the construction phase in the Northern Territory and 44 ongoing operational jobs, all expected to be in Darwin. By providing affordable, high quality student accommodation, the project will help support population retention and growth, improve student outcomes and enhances CDU's ability to attract regional, interstate, and international students, many of whom would not otherwise study in Northern Australia.

- Townsville Affordable Living Precinct[3] – the project will deliver 81 new social and affordable housing units and is expected to accommodate up to 240 residents, comprising 21 social housing units and 60 affordable housing units across a mix of one-, two-, and three-bedroom configurations. The project has been forecast to contribute $36 million to the economy in northern Queensland during construction and the project's 20-year operational life and will support 153 jobs in construction and 7 ongoing jobs during operations. In addition to the quantified benefits, the project will support a range of important, but unquantified socio-economic benefits, including helping to reduce the pressing need for more social and affordable housing in Townsville and freeing up existing housing stock.
- Isaac Power Project[4] – the project is a gas-to-power generation initiative located in Moranbah, central Queensland, aimed at supporting Queensland's transition to renewable electricity. It includes gas turbines and a proposed battery storage system designed to provide flexible, low-cost, and reliable energy while reducing emissions. The station will provide critical grid-support capacity for a part of Queensland where energy reliability is essential to economic activity. An independent economic consultant forecast that the project would generate $251 million of positive economic impact across Isaac and Mackay through construction and 30-year operational life, as well as stimulating 84 jobs in construction and 41 ongoing jobs in operations.

In addition, the proponents on projects that have commenced drawdown have reported that approximately $385 million of goods and services have been procured from Northern Australian suppliers during FY25-26, stimulating further economic growth in the region.

Quantified benefits are lower than in previous years, mainly reflecting the types of projects that reached Investment Decision during the reporting period. Social infrastructure and community-focused projects can deliver significant regional and social benefits, but typically do not generate the same level of ongoing direct employment or operational expenditure as major commercial infrastructure projects. As a result, forecast quantified public benefit is lower, however, the broader socio-economic benefits remain meaningful and highly impactful for regional communities.

5. Job creation

The Investment Decisions in FY25-26 are forecast to support 631 jobs in either the construction or operational phase which will directly contribute to economic and population growth in the regions of those projects.

The forecast jobs stemming from the three Investment Decisions are as follows:

- CLV Student Accommodation – has been forecast to support approximately 302 new jobs during construction and 44 ongoing jobs during the operational life of the mine.
- Townsville Affordable Living Precinct – has been forecast to generate 153 new jobs during construction and 7 new ongoing jobs during the operational life.
- Isaac Power Project – had been forecast to generate 84 new jobs during construction and 41 new ongoing jobs during the operational life.

In addition, existing proponents that have commenced drawdown, have reported that approximately 4,271 jobs[5] have been supported in FY25-26 stimulating economic activity and population growth in the region.

6. Indigenous strategies

Each of the three Investment Decisions made in FY25-26 - CLV Student Accommodation (Campus Living Villages), the Townsville Affordable Living Precinct (Hurst Holding Company) and the Isaac Power Project (QPM Energy) - developed and adopted an IES to be implemented over the life of the project.

To support these Investment Decisions NAIF's Indigenous Outcomes team expanded its stakeholder engagement during the year, strengthening relationships across First Nations, government and industry organisations. This included engagement with the National Indigenous Australians Agency, the Office of Northern Australia, Indigenous Business Australia, Aboriginal Investment NT, the Clean Energy Finance Corporation, the First Nations Clean Energy Network, a range of Specialist Investment Vehicles and various Land Councils from across Northern Australia.

NAIF engaged several Indigenous proponents regarding potential projects. Through this, and broader discussions, NAIF has observed increasing interest from Traditional Owners across Australia in preparing for and participating in the energy transition, particularly in renewable energy and critical minerals developments. Engagement with the First Nations Clean Energy Program within the Department of Climate Change, Energy, the Environment and Water further strengthened NAIF's understanding of barriers and opportunities for First Nations peoples to participate in, benefit from and potentially hold ownership interests in clean energy projects, including projects supported through the Australian Government's Capacity Investment Scheme.

NAIF also participated in an event hosted by the Mabo Centre, the National Native Title Council and Aboriginal Enterprises in Mining, Exploration and Energy (AEMEE), which brought together First Nations leaders, industry representatives and other stakeholders to explore the development of a First Nations Critical Minerals Strategy. The initiative aims to strengthen Traditional Owners' understanding of the emerging critical minerals sector and support informed participation in future development opportunities. These engagements have enhanced NAIF's understanding of the opportunities and challenges facing Indigenous communities as they seek to participate in and benefit from the growth of the critical minerals industry and Australia's broader energy transition.

7. Indigenous employment opportunities

NAIF continues to require every financed project to develop and deliver a bespoke IES addressing local Indigenous participation, procurement and employment, assessed on a case-by-case basis against the mandatory IES criterion (Mandatory Criterion 5). The three FY25-26 Investment Decisions carried the following commitments:

- CLV Student Accommodation (Campus Living Villages) – an employment target of 10% during construction rising to 14% during operations, and a 3% procurement target, developed in consultation with the Larrakia Nation Aboriginal Corporation.
- Townsville Affordable Living Precinct[6] (Hurst Holding Company) – an IES focused on practical participation, procurement, training and employment pathways for Traditional Owners and the broader First Nations community in Townsville.
- Isaac Power Project[7] (QPM Energy) – a 6.2% First Nations procurement target under a "Local First, Traditional Owner Preferred" model, alongside technical training pathways and Caring for Country initiatives led by Barada Barna Traditional Owners.

Key achievements reported across the portfolio this year include:

- In its final IES report following repayment of NAIF debt, Voyages Indigenous Tourism Australia's Connellan Airport Upgrade demonstrated strong and enduring First Nations outcomes, supporting an estimated 132 Indigenous full-time equivalent jobs and achieving $8.7 million in Indigenous procurement (7.1% of total procurement), exceeding the NAIF target of 3%. Ongoing employment pathways, training programs and Anangu-led governance and engagement initiatives continued to strengthen employment, education and enterprise development outcomes for local communities.
- The Cairns Seniors Wellbeing and Downsizing Initiative continued to deliver strong Indigenous outcomes, with Indigenous participation accounting for approximately 20% of total labour hours across the project lifecycle, well above the IES target of 3%. Strong partnerships with the Gimuy Walubara Yidinji Elders Aboriginal Corporation supported ongoing cultural design and community engagement outcomes, while collaboration across project partners maintained a focus on project completion and maximising Indigenous benefits through the final stages of construction.
- BCI Minerals continued to progress its IES through employment, procurement and training initiatives associated with the Mardie Project. During the year, BCI engaged 16 Aboriginal businesses and delivered more than $11 million in Aboriginal procurement, supporting Indigenous economic participation across a range of project activities. Key achievements included the creation of employment opportunities, ongoing implementation of employment and training programs, and continued collaboration with Wirrawandi Aboriginal Corporation to strengthen governance capacity building, including workshops on legal duties, governance responsibilities, and financial management.

3. Post 30 June 2026 the proponent advised that the project is unlikely to proceed and NAIF's original investment decision may not be required. No financial assistance has been provided by NAIF.

4. Post 30 June 2026 the proponent appointed voluntary administrators. NAIF has no financial exposure to the Project because contractual close had not been achieved and no financial assistance was provided.

5. Actual annual job numbers are provided by Proponents based on a requirement to report actual jobs related to NAIF funded projects. They are not comparable to job forecasts at the time of Investment Decision, as the forecast modelling includes both direct and indirect jobs stimulated by a project.

6. Post 30 June 2026 the proponent advised that the project is unlikely to proceed and NAIF's original investment decision may not be required. No financial assistance has been provided by NAIF.

7. Post 30 June 2026 the proponent appointed voluntary administrators. NAIF has no financial exposure to the Project because contractual close had not been achieved and no financial assistance was provided.

8. NAIF is net zero cost to government

Since its inception in 2016, the Commonwealth Government has provided NAIF with an annual appropriation to cover operational expenditure. Although all interest income, commitment fees and establishment fees from NAIF investment flow to consolidated revenue, NAIF tracks its annual and cumulative cost recovery on a notional basis.

Taking into account a notional borrowing cost based on the Commonwealth 10-year bond rate, NAIF's FY25-26 investment activity generated a net notional revenue of $48.7 million, over twice the annual operating budget of $23.7 million and ~2.4x actual expenditure of $19.6 million.

Since inception, NAIF's investment portfolio has cumulatively generated net notional revenue of $206.0 million compared to $154.4 million received in Commonwealth appropriation to cover operating costs, making NAIF net zero cost to Government based on the comparison of operational cost to net notional revenue.

9. Effective stakeholder engagement and thought leadership on growth for Northern Australia

NAIF continues to play a critical role in driving growth, investment and prosperity across Northern Australia through strategic stakeholder engagement, collaboration, and leadership on key development opportunities.

By working closely with governments, Indigenous communities, industry leaders, regional organisations and project proponents, NAIF helps ensure development opportunities align with community priorities, respect cultural and environmental values, and deliver enduring economic and social benefits. Through tailored engagement strategies, NAIF builds trusted relationships, supports knowledge sharing and assists proponents in navigating the unique opportunities and challenges of Northern Australia.

Key activities undertaken during FY25–26 included:

- Extensive stakeholder engagement across Northern Australia, with visits to major regional centres and remote communities to strengthen relationships, understand local priorities and identify emerging investment opportunities.
- Ongoing collaboration with regional development organisations to ensure NAIF remains connected to local economic priorities and growth opportunities.
- Regular engagement with the Queensland, Northern Territory and Western Australian governments to support alignment, information sharing and coordinated approaches to regional development.
- Consultation with Commonwealth agencies to support project consultation processes and facilitate effective coordination across jurisdictions – including quarterly updates on proponents working their way through the pipeline.
- Representation at a broad range of industry conferences, forums, and events, further strengthening NAIF's reputation as a trusted partner and thought leader in Northern Australia's development.
- Delivery of targeted stakeholder briefings to share insights on investment trends, infrastructure priorities, and opportunities across the region – such as housing.
- A series of origination focused boardroom events including financial advisory firms, potential and current proponents.

The team continues to apply strategic engagement plans informed by the International Association for Public Participation (IAP2) framework, ensuring stakeholders are appropriately identified, engaged, and involved throughout project and policy discussions.

Through active participation in industry discussion, Commonwealth committee papers and submissions, and the sharing of market intelligence, NAIF helps identify pathways for economic diversification, productivity improvements, and regional growth opportunities.

Through this collaborative and proactive approach, NAIF continues to build confidence in Northern Australia's investment potential and support projects that contribute to a stronger, more connected and prosperous region.

10. Demonstrate active engagement with other SIV's and activities that advance Indigenous empowerment

NAIF continued to strengthen its collaborative relationships across the Australian Government financing ecosystem to support investment outcomes in Northern Australia and improve coordination across priority sectors.

During FY25–26, NAIF participated in regular bi-monthly Chief Investment Officer (CIO) meetings involving all Australian Government Specialist Investment Vehicles (SIVs), including the Clean Energy Finance Corporation (CEFC), Export Finance Australia (EFA), Housing Australia, the National Reconstruction Fund Corporation (NRFC) and the Australian Renewable Energy Agency (ARENA). These forums facilitated information sharing, alignment on investment priorities and collaboration on projects of strategic national significance.

NAIF also actively participated in the CIO Front Door meetings established as part of the Australian Government's Future Made in Australia agenda, helping to provide a coordinated pathway for proponents seeking support from multiple government financing and investment bodies.

Throughout the year, NAIF held more than 13 stakeholder meetings with SIV counterparts, sharing insights on investment assessment approaches, including the integration of IES requirements and the role they play in our investment approach.

NAIF also continued its longstanding collaboration with Indigenous Business Australia (IBA), the Indigenous Land and Sea Corporation (ILSC) and the National Indigenous Australians Agency (NIAA) to support the identification, referral and co-development of potential projects and investment opportunities that deliver economic and social benefits for Indigenous Australians and regional communities.

Through these partnerships and collaborative forums, NAIF continued to leverage expertise across government and industry, enhance market intelligence and improve investment coordination to support sustainable development across Northern Australia.

11. Demonstrate alignment of Investment Decisions to government policy priorities

Each of NAIF's Investment Decisions were aligned with more than one of the Government policy priorities as outline in Schedule 2 of NAIF's Investment Mandate. All three decisions are aligned with the following Government policy priorities:

- Sustainable and resilient Economic Development; and
- Materially improving the lives of Indigenous people and communities.

In addition, one project was aligned with each of the following priorities:

- Working with Jurisdictions to deliver key infrastructure; and
- Sustainability, climate change and circular economy.

12. Develop strategies for NAIF operations to meet government priorities

NAIF has developed a comprehensive strategy aligned with the Australian Governments Net Zero strategy. It includes targeted actions across energy, buildings, procurement, fleet, travel, ICT and people capability. The highlights of progress for the year are:

- Energy - achieved a 45% reduction in Scope 1 and Scope 2 emissions compared to NAIF's FY22-23 baseline, supported by the Cairns office being fully supplied by renewable electricity and the continued expansion of green power procurement initiatives across leased offices.
- Buildings - moved Perth office to a building with a higher NABERS rating (previously 4, now 4.5) and plants have been introduced to Cairns, Sydney and Perth offices contributing to cleaner air and staff wellbeing.
- Procurement - active approach to embedding sustainability in purchasing decisions, updating Procurement policy to include sustainability as a principle, this has driven a change in purchasing decision for office products.
- Fleet - introduced EV option when renting vehicle while travelling, continued to promote salary sacrificing for leased EV private vehicles.
- Travel - updated travel policies to support sustainable travel practices and purchased carbon offsets for official travel, offsetting 118 tCO_2-e during FY25-26.
- Information Communication Technology - recycled headsets and donated old laptops / phones to charity, standard laptops are made from 50-90% recycled materials and can be returned to manufacturer for recycling.
- People, Culture & Capability - NAIF offices participated in Earth Hour and staff benefit from a Working Flexibly policy, whereby they have the opportunity to work from home 2 days a week contributing to reduced emissions from vehicles and public transport.

NAIF has also developed an organisational Indigenous employment strategy which is aligned with the Australian Governments priority on Improving First Nations outcomes promoting Indigenous employment. The NAIF Indigenous Employment Strategy was endorsed by the NAIF People and Remuneration Committee and encompasses three pillars - Recruitment, Retention and Representation. The strategy includes a focus on building a cohort of Indigenous employees and professionals, developing talent pipelines to develop Indigenous candidates and ensuring a culturally safe environment with support frameworks in place for Indigenous employees. In addition, NAIF has demonstrated strong progress in delivering its Innovate Reconciliation Action Plan (RAP), achieving approximately 99% completion of the 67 identified actions within the designated implementation period. This achievement reflects NAIF's ongoing commitment to advancing meaningful reconciliation outcomes and strengthening relationships with Aboriginal and Torres Strait Islander peoples, communities and organisations.

NAIF's enhanced procurement principles are also aligned with improving First Nations outcomes. The Procurement Policy explicitly embeds First Nations participation as a core principle, whereby NAIF aims to:

- Promote Indigenous procurement through preferred supplier engagement;
- Use Indigenous procurement databases such as Supply Nation, Black Business Directory, and state-based Aboriginal business directories;
- Align with the Commonwealth Procurement Rules and PGPA Act, ensuring value for money while advancing social sustainable outcomes.

Corporate Governance

Legislative framework

NAIF was established on 1 July 2016 as a corporate Commonwealth entity under the *Northern Australia Infrastructure Facility Act 2016* (NAIF Act).

Following the independent statutory review of the NAIF Act, the Australian Government introduced the Northern Australia Infrastructure Facility Amendment Bill 2026, to extend NAIF's investment decision-making period from 1 July 2026 to 30 June 2036. This Bill passed both the House of Representatives and the Senate on 30 June 2026.

Accountability

NAIF is a portfolio agency within the Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts. The responsible Ministers for the FY25-26 period were the Hon Madeleine King MP, Minister for Resources and Northern Australia (the Minister) and Senator the Hon Katy Gallagher, Minister for Finance, Women, Government Services and Public Service.

NAIF's Board is the Accountable Authority with a focus on strategic direction, risk appetite and monitoring performance. The Ministers appoint the members of NAIF's Board and provide direction through the Investment Mandate.

As a corporate Commonwealth entity, the requirements of the PGPA Act apply to NAIF's corporate governance, reporting and accountability.

Corporate governance framework

NAIF is committed to maintaining high standards of corporate governance.

NAIF has a comprehensive suite of governance policies that are fit for purpose and appropriate for its size and functions. It is a tailored governance framework that incorporates statutory responsibilities under the NAIF Act, Investment Mandate, PGPA Act and other relevant legislation.

Board Charter

NAIF's Board Charter sets out the Board's roles and responsibilities. This Charter builds on the Board's duties as the accountable authority under the PGPA Act and outlines key duties and responsibilities. https://www.naif.gov.au/our-organisation/governance/

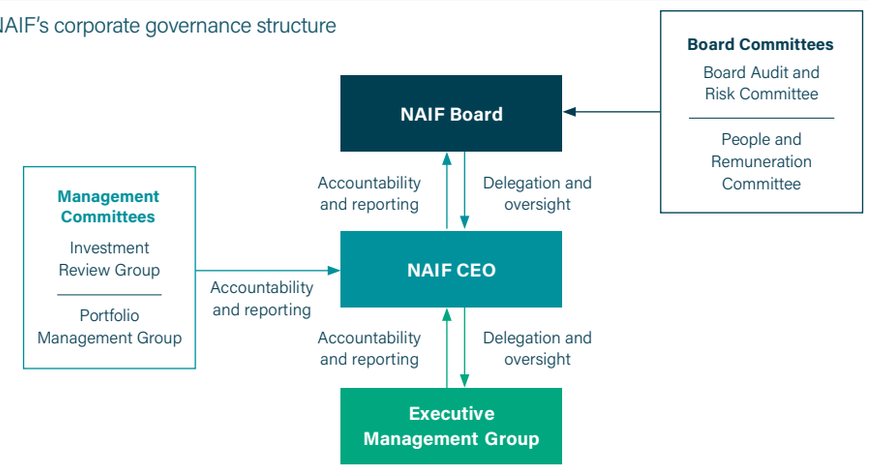
Board Audit and Risk Committee Charter

Pursuant to section 45 PGPA Act, NAIF is required to have in place a functioning audit committee. The NAIF Board constituted the Board Audit and Risk Committee (BARC) to review the appropriateness and provide advice on NAIF's financial and performance reporting, systems of risk management and oversight and system of internal control. The BARC Charter is available on the NAIF website. https://naif.gov.au/our-organisation/governance/

People and Remuneration Committee Charter

The People and Remuneration Committee (PRemCo), operates under a People and Remuneration Committee Charter. The primary role of the PRemCo is to provide strategic advisory oversight of NAIF's people and remuneration policies, frameworks, initiatives and strategies to assist in enabling NAIF to fully and effectively perform its functions.

Figure 3: NAIF's corporate governance structure



Review and continuous improvement

NAIF approaches its operations on a continuous improvement basis to ensure that it has regard to Australian best practice government governance principles, and relevant Australian best practice corporate governance, as required by section 20(1) of the Investment Mandate.

Strategic and corporate planning

NAIF's strategic documents align with its corporate governance framework and purpose. The Corporate Plan FY26-27, sets out how we will build on our achievements to date by working with our partners to generate more jobs and economic activity in Northern Australia. The plan is available on the NAIF website.

Ethical and responsible behaviour

Code of Conduct

The Code of Conduct seeks to foster a culture where ethical conduct is valued and demonstrated in NAIF's day-to-day business. The Code of Conduct provides the principles, standards, and behaviours that support expectations of integrity, accountability, transparency, and professionalism.

Public interest disclosure (whistleblower) protection

NAIF is committed to maintaining the highest standards of ethical and accountable conduct and ensuring that individuals who make public interest disclosures are provided with the protections available under the *Public Interest Disclosure Act 2013 (PID Act).*

NAIF has a process for reporting, investigating and responding to disclosures made under the PID Act. NAIF's Public Interest Disclosure Policy provides a framework for the escalation of disclosable conduct. This includes conduct that is illegal, corrupt, unethical or is an abuse of public trust. The Policy applies to all Board members and current and former employees, consultants and contractors of NAIF.

Conflicts of interest

NAIF manages conflicts of interest in accordance with its Conflicts of Interest Policy which covers actual, potential or perceived conflicts of interest for NAIF Board members, employees and contractors.

Board members with material personal interests in relation to a project under consideration are excluded from discussions and information relating to the project. A disclosed interest register is maintained to record actual, perceived or potential Board members' conflicts of interests. Board meeting minutes record recusals to protect any disclosed personal interests from occurring. In addition, a disclosed interest register is maintained for employees and contractors, with appropriate barriers implemented for employees with material personal interest in projects under consideration.

Anti Money Laundering and Counter Terrorism

NAIF has an anti-money laundering and counter-terrorism (AML/CTF) program to detect and prevent money laundering and terrorism financing when providing designated services. The program is designed in accordance with the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (AML/CTF Act) and Rules. During FY25-26, NAIF updated its AML/CTF Program in alignment with the AML/CTF reforms. This included changes to its policies, procedures, AML/CTF risk assessment, customer due diligence processes, governance arrangements and supporting controls to adopt reform requirements and ensure the Program remained appropriate to NAIF's risk profile, size, and complexity.

Privacy

The NAIF Privacy Policy and Privacy Management Plan describe how NAIF collects, uses and discloses personal information and implements the requirements of the *Privacy Act* 1988 and Privacy (Australian Government Agencies – Governance) Code 2017. NAIF continues to improve its privacy management measures to progress towards its target maturity within the Privacy Management Plan.

Fraud and Corruption Control Plan

NAIF's Fraud and Corruption Control Plan (Plan) prevents the incidence of fraud and corruption through identifying risks and establishing adequate control strategies. In addition, the Plan establishes a clear set of procedures for detecting and dealing with allegations of fraud, including mandatory reporting requirements. In FY25-26, NAIF conducted fraud risk assessments across key business areas as part of its internal audit program and throughout the Digital Transformation program to identify and assess fraud and corruption risks associated with new and changing business processes. These assessments evaluated the effectiveness of existing controls and identified opportunities to further strengthen NAIF's fraud and corruption environment.

Compliance

NAIF manages its compliance obligations through the compliance management framework, and the governance, risk, and compliance system. The framework provides a consistent and transparent methodology to manage obligations while promoting a culture that recognises the importance of adhering to regulatory requirements.

All incidents in FY25-26 were recorded in the NAIF Incident Register and assessed and managed in accordance with the compliance management framework.

Corporate reporting

Internal audit

EY is NAIF's internal auditor. During the period, the internal audit program maintained a focus on delivery of value-adding services and compliance and performance audits in accordance with the Strategic Internal Audit Workplan.

External financial audit

The Australian National Audit Office (ANAO) is NAIF's external auditor who confirmed that NAIF's FY25-26 Financial Statements are compliant with Australian Accounting Standards and the PGPA Rule 2015 and issued an unmodified audit opinion. The field work associated with the FY25-26 financial statement audit was outsourced by ANAO to William Buck.

Judicial and administrative decisions and reviews

There were no judicial or administrative decisions during the period.

Indemnities and insurance

Insurances provided by Comcover and Comcare have general application that includes Board members and NAIF employees as per the ordinary insurances required of Commonwealth entities. Total premiums paid during the reporting period were $66,925.

Legislative reporting

Ministerial direction

The responsible Ministers give NAIF direction through the NAIF Investment Mandate which is available on the NAIF website https://naif.gov.au

NAIF Act – Section 42(1) reporting

For the purpose of s42(1) of the NAIF Act, NAIF reports as follows:

(a) Investment mandate changes: There were no changes to the Investment Mandate during the period.

(b) Summary of proposal notices given to the Minister: NAIF provides a written proposal notice to the Minister for each project. NAIF proposes to provide financial assistance as required under section 11(2) of the NAIF Act.

NAIF provided proposal notices for the three Investment Decisions made by the NAIF Board between 1 July 2025 and 30 June 2026 which are summarised in Figure 4.

(c) Summary of rejection notices by the Minister: There were no rejection notices from the Minister during the period.

Figure 4: Summary of proposal notices

Proponent	Jurisdiction	Project	Max amount of NAIF financial assistance
QPM Energy Limited	Moranbah, QLD	Isaac Power Project	$72m
Campus Living Villages	Darwin, NT	CDU Student Accommodation	$74m
Hurst Holding Company Pty Ltd	Townsville, QLD	Townsville Affordable Living Precinct	$42.1m

Figure 5: Summary of important features of financial assistance approved during the period

Proponent [4]	Tenor (years)	Senior	Secured	Interest rate concession
QPM Energy Limited	12 years	✓	✓	✓
Campus Living Villages	20 years	✓	✓	✓
Hurst Holding Company Pty Ltd	2 years	✓	✓	✓

[4] See proponent names and project details in Figure 4. Summary of proposal notices

(d) Summary of projects for which financial assistance was approved during the period:

(i) For amounts of financial assistance and kinds of Northern Australia economic infrastructure refer to Figure 4: Summary of proposal notices.

(ii) All financial assistance provided during the period was in the form of a loan. Figure 5 provides a summary of the important features of each loan during FY25-26.

Each loan pays an upfront facility fee and an interest rate above the Commonwealth cost of borrowing which represents returns to the Commonwealth.

(iii) The risks to the Commonwealth are rigorously assessed during the due diligence process to ensure the risks are understood and mitigated where possible. Risks include project, credit, transaction, structure, environmental and social, construction, technology, operation, management, market, industry, business, financial and concentration risk.

(e) Summary of adjustments or concessions made by NAIF in relation to infrastructure projects that have not progressed as planned:

There were four adjustments/concessions of this type during the reporting period which are summarised in Figure 6.

Figure 6: Summary of adjustments or concessions for projects that have not progressed as planned

Proponent	Adjustment / Concession	Reason
Merricks Capital	Interest payments deferred to 30 June 2026 and principal repayments deferred to 31 August 2026.	To provide time for the proponent to resolve commercial issues related to the projects.
Signature Onfarm	Repayment profile resculpted as at 30 June 2026.	To better match the proponent's updated long-term cash flow forecast.
Kidston Pumped Storage Hydro	Interest payments deferred to 31 August 2026.	To provide short-term cash flow relief to the proponent in response to the higher cost and time to complete the project.
Kimberley Mineral Sands	Interest payments deferred to 31 August 2026.	To provide time for the proponent to implement improvement measures at the Thunderbird mine and align on potential standstill requirements.

NAIF Act – Section 42(2) reporting

NAIF had no subsidiaries in existence during FY25-26.

Environmental Reporting

NAIF's sustainability ambitions are in line with its purpose, to contribute to the nation by investing in the growth of Northern Australia. This includes actively consulting across government in priority areas as they impact investment in Northern Australia, such as the Net Zero Economy Authority, areas of the Commonwealth's National Adaptation Plan and the development of Australia's Sustainable Finance Taxonomy. A key priority for NAIF during FY25-26 was its inaugural Sustainability Strategy.

NAIF also maintained its Associate Membership of the Australian Sustainable Finance Institute (ASFI) and continued to actively collaborate with key stakeholders in advancing Australian sustainable finance initiatives. During FY25-26, representatives from NAIF participated in the following workshops, forums and activities:

- ASFI Members Council;
- Infrastructure Sustainability Council Connect 2026
- 2026 3rd Public Sector Climate-Related Risk & Disclosure Summitt;
- 2025 First Nations Clean Energy Symposium; and

In addition, NAIF has been actively building inhouse capability through a variety of training/education programs including Board training on climate related risks.

Australia's emissions reduction targets

NAIF recognises the impact of climate change on our business and communities and supports Government policy and carbon reduction targets to achieve net zero by 2050. NAIF is committed to publicly report on exposure to climate risks and opportunities, as well as actions to manage them in line with Government policy for government entities. Following NAIF's first mandatory Commonwealth Climate Disclosure in FY24-25, NAIF's Commonwealth Climate Disclosure follows on page 70.

Ecological sustainable development

Section 516A of the *Environmental Protection and Biodiversity Conservation Act 1999 (Cth)* (EPBC Act) requires NAIF's annual report to:

- report on how NAIF's activities accord with the principles of ecologically sustainable development (ESD principles);
- document the effect of NAIF's activity on the environment;
- identify any measures NAIF is taking to minimise the impact of its activities on the environment; and
- identify the mechanisms (if any) for reviewing and increasing the effectiveness of those measures.

The Environmental Reporting section of the Annual Report, and particularly the section titled E&S Impacts Overview – FY25-26 Investment Decisions, addresses this reporting requirement.

Section 20(1) of the Investment Mandate also requires NAIF have regard to best practice government governance principles, and relevant Australian best practice corporate governance for Commercial Financiers when performing its functions, and to develop and review annually policies regarding environmental, social and governance issues, climate and transition risks, and shared risks. Consideration of the environmental impact of our activities is a consideration in all decisions made in compliance with Australia's legislative landscape.

Disclosure Log

NAIF's commitment to environmental accountability and transparent governance is reflected in the publication of its Disclosure Log relating to potential financed emissions. The Disclosure Log provides information on projects that have progressed through the strategic assessment phase and remain subject to NAIF due diligence. Specifically, it identifies each project's relative likelihood of exceeding the Safeguard Mechanism threshold of 100,000 tonnes of carbon dioxide equivalent in any given year of operation. This assessment is based on data deemed appropriate by NAIF or verified by independent environmental consultants.

Environmental and Social Review of Projects Policy

NAIF's activities accord with ESD principles and best practice corporate governance through the application of its Environmental and Social Review of Projects Policy (ESR Policy). The ESR Policy ensures that each project submitted for an Investment Decision has been assessed through environmental and social due diligence. It relevantly ensures that NAIF's due diligence processes leading to an Investment Decision include an assessment of environmental and social impacts (E&S impacts), which are considered along with the public benefit assessment, as outlined in NAIF's Public Benefit Guideline. The guideline provides direction on how NAIF will assess the public benefit of each project, including both beneficial and adverse E&S impacts (where applicable), alongside a range of other short and long term economic and social considerations for each proposed project. In performing due diligence, NAIF requests detailed information from project proponents regarding actual or proposed project plans and resources (for example, planning and environmental consultations, community consultation plans, biodiversity action plans, native title plans and cultural heritage plans). NAIF's assessment is performed using internal resources and expert external advice (as required). NAIF also consults with government agencies relevant to the E&S impacts of a project as appropriate. Emphasis is placed upon the project proponent's capacity to comply with approvals. NAIF also investigate the project proponents':

- E&S systems, plans, policies, and procedures for compliance with applicable E&S approvals (and the conditions of those approvals); and
- record of compliance with E&S regulatory requirements.

NAIF also assess the degree to which requests for financial assistance have the potential to adapt or mitigate the negative impacts of climate related risks and contribute to the achievement of Australia's greenhouse gas emissions reduction targets. NAIF seeks to confirm that the project proponent has undertaken appropriate stakeholder consultation, including, where relevant, acknowledging the principle of Free, Prior and Informed Consent (FPIC). NAIF also expects to see appropriate resources and systems allocated to the management of social impacts, including the commitment to ongoing stakeholder consultation and complaints handling during project construction and operations.

NAIF monitors compliance with E&S obligations during the lifecycle of the project, according to specific E&S contractual provisions, specific E&S reporting, and the nature of the potential risks identified. Should a project fail to comply with contractual E&S obligations, NAIF will endeavour to work with the project proponent to make the project compliant or, as necessary, exercise the Facility's contractual remedies.

FY25-26 Investment Decisions - E&S Impacts Overview

NAIF assessed the E&S impacts for all Investment Decisions during FY25-26 in accordance with its ESR Policy.

QPM Energy Limited – Isaac Power Project

The project will deliver gas-fired electricity supply and grid firming in northern Queensland, including through capturing waste gas and reducing emissions associated with gas venting and flaring. This Project aligns closely with Commonwealth and State government policy priorities.

Environmental and social due diligence undertaken by an independent environmental consultant assured compliance with applicable regulatory requirements and that the project broadly aligned with the ESR Policy, supported by established management plans, monitoring programs and reporting processes. The assessment identified opportunities to enhance social performance documentation, stakeholder engagement records and lifecycle monitoring frameworks for the proposed development.

Environmental and climate impacts are assessed as manageable. Infrastructure is largely located on previously disturbed land with limited additional vegetation clearing required, and technical studies indicate no significant residual impacts and confirm compliance with applicable air quality and noise requirements. Climate considerations include forecast Scope 1 and Scope 2 emissions of approximately 200,000 tCO_2-e per annum at maximum utilisation; while emissions are material, the Project is expected to support abatement of fugitive methane emissions and provide reliability benefits as renewable penetration increases.

Social impacts are assessed as manageable, supported by land access, cultural heritage and stakeholder engagement frameworks.

Campus Living Villages (CLV) – Student Accommodation Project

The Project will deliver purpose-built student accommodation supporting access to higher education and regional workforce development.

Environmental and social due diligence indicates that E&S impacts are low and capable of being managed through established frameworks. The Proponent demonstrates appropriate capability and governance maturity to manage E&S risks, supported by defined management systems and sustainability frameworks.

Environmental and climate impacts are assessed as low. No significant environmental impacts were identified under applicable legislation, with all required approvals expected to be in place prior to Financial Close. Operational emissions are expected to be low relative to comparable assets, with no material climate-related risks identified. The Proponent is targeting a 5 Star Green Star Buildings rating through initiatives such as double glazing and native landscaping, and will be managed under established environmental frameworks, including Environmental Management Plans for both construction and operations.

Social outcomes are positive, including improved availability and quality of student accommodation.

Hurst Holdings Company Pty Ltd
Townsville Affordable Housing Project

The Project will deliver social and affordable housing dwellings in Townsville, addressing a critical housing shortage and supporting access to essential services and employment.

Environmental and social due diligence confirms that the Proponent has structured environmental management practices and will develop a site-specific environmental management plan prior to construction. The Proponent demonstrates appropriate capability to manage E&S risks, supported by regulatory approvals and project controls.

Environmental and climate impacts are assessed as low. Energy-efficient design targeting at least equivalent to a 7-star NABERS rating supports reduced operational energy use and emissions, with no material climate-related risks identified.

Social impacts are significant and positive, including housing for approximately 240 residents and supporting construction employment. Indigenous engagement and participation measures are embedded in the Project.



JAMES COOK UNIVERSITY
Engineering & Innovation Place, QLD

NAIF Board

Board skills

Board members are appointed by the responsible Minister. All Board members have relevant experience as required under section 15 of the NAIF Act. The Board incorporates a broad range of skills and knowledge, combined with the extensive experience necessary to make Investment Decisions. Board members also draw on the expertise of NAIF's Executive, or other independent experts as required, to aid in decision making.

NAIF Board role and responsibilities

The Board is the accountable authority responsible for the overall operation and stewardship of NAIF and reports to Parliament through the responsible Ministers. The Board decides within the scope of the NAIF Investment Mandate the strategies and policies to be followed. It monitors compliance with those strategies and policies, defines NAIF's risk appetite, makes Investment Decisions and otherwise ensures the proper, efficient and effective performance of NAIF.

Figure 7: Summary of Board Member meeting attendance FY25-26

	Board	
Board Member	**Eligible**	**Attended**
Grant Cassidy OAM	12	12
Kate George (term ended 31 March 2026)	9	7
Tracey Hayes (Chair)	12	12
Lisa Hewitt	12	11
Steve Margetic AM	12	12
Vanessa Elliott AM	12	11
Robert Edel	12	12
Government Member (Delegates of the Secretary)*	12	12

* Jane Christie additional alternate appointment was ceased on 11 February 2026.
Kynan Gowland was appointed an additional alternate on 11 February 2026.
Lisa Rauter PSM was appointed as an alternate 23 September 2023 and continues at the date of this report.

Board Audit and Risk Committee

In accordance with the PGPA Act and the PGPA Rule the primary function of the Board Audit and Risk Committee (BARC) is to review the appropriateness of and provide advice on NAIF's:

- financial reporting;
- performance reporting;
- the system of risk management and oversight; and
- the system of internal control.

Figure 8: Summary of Board Audit and Risk Committee Member meeting attendance FY25-26

	BARC	
Board Member	**Eligible**	**Attended**
Lisa Hewitt (Chair)	4	4
Steve Margetic AM	4	3
Robert Edel	4	4

People and Remuneration Committee

The People and Remuneration Committee (PRemCo) is a sub-committee of the Board and its primary role is to provide strategic advisory oversight of NAIF's people and remuneration policies, frameworks, initiatives and strategies to assist in enabling NAIF to fully and effectively perform its functions to ensure the success of NAIF.

Figure 9: Summary of People and Remuneration Committee Member meeting attendance FY25-26

	PRemCo	
Board Member	**Eligible**	**Attended**
Grant Cassidy OAM (Chair)	4	4
Kate George (term ended 31 March 2026)	3	2
Vanessa Elliott AM	4	2
Lisa Rauter PSM (appointed 19 May 2026)	1	1



Image: NAIF Board Members

Board
Profiles and Photos



Tracey Hayes
EMBA, GradCert Rangeland Science MAICD JP

Chair and member from Northern Territory
Appointed to the Board and as Chair - 01/07/2021

A nationally and internationally recognised senior executive leader with extensive experience across Northern Australia. Proven track record as Chair, Director, and CEO, with diverse leadership roles spanning the private sector, not-for-profit organisations, and government-owned corporations. Brings deep expertise in infrastructure, agriculture, health, aviation, and regional development, with a reputation for delivering outcomes that drive sustainable growth and create lasting impact.

Current roles include: Federal Chair of the Royal Flying Doctor Service of Australia; non-executive director at AAM Investment Group; Managing Director at Wiltrac Pty Ltd.

Previous Roles: Chief Executive, Northern Territory Cattlemen's Association; Council Member, Order of Australia Honours Council; Member, Cooperative Research Centre for Northern Australia, Board of the Australia-Indonesia Institute; Member of the National Resilience and Recovery Agency advisory board; Director, Corporate Affairs AAM Investment Group; Director, Lion Twin Pty Ltd.



Grant Cassidy
OAM FAICD JP

Member from Queensland
Appointed 24/11/2021

A business person and highly experienced company Director with over 30 years Board, Governance and Risk experience. A specialist across a range of sectors including tourism and hospitality, media, regional economic development, beef cattle, irrigation and ports. Over 35 years of living and working across central and northern Queensland including Cairns, Mackay and the Whitsundays, Rockhampton and Gladstone.

Current roles include: Managing Director, Cassidy Hospitality Group and GRC Pastoral, Director Beef Australia Ltd & Director Foodbank Queensland.

Previous roles include: 15 Years in Commercial Media (Radio) and Multimedia.



Steve Margetic
AM FAICD

Member from Northern Territory
Appointed 01/07/2021

Extensive experience across Northern Australia in the private sector and government owned corporation experience in regional and remote strategic infrastructure development and delivery through Public Private Partnerships, Alliancing, Managing Contractor delivery and traditional delivery models across tourism, defence, health, education, institutional and civil engineering sectors. Involvement in Northern Australia includes over 35 years in business and industry with a keen interest in the importance of strategic economic infrastructure as a key enabler to underpinning long term economic growth in Northern Australia.

Current roles include: Managing Director, Sitzler Pty Ltd; Director, Master Builders NT ; Chair, Darwin Major Business Group; Director, RPM Pty Ltd.

Previous roles include: Chairman of the Northern Territory Land Development Corporation; Director of Power Water Corporation; President of Master Builders NT; Member of the Territory 2030 Strategic Plan Steering Committee.



Lisa Hewitt
BBus (Accounting), MBA (Finance) MAICD

Member from Queensland
Appointed 27/01/2022

With a career spanning senior leadership roles in finance, agribusiness, and infrastructure — including a previous role as Regional Executive for ANZ — Lisa brings deep expertise in banking and finance, governance and operations, risk management, supply chains, real estate, and regional Australia. Lisa is widely recognised for her ability to combine financial acumen with strategic leadership, ensuring value creation and sustainable growth.

Current roles include: Independent non-executive Director, Queensland Rail.

Previous roles include: General Manager, Qld/NT Elders Limited, Regional Executive, Business Banking North Queensland, Australia and New Zealand Banking Group Limited.

Board
Profiles and Photos (Continued)



Vanessa Elliott
AM

Member from Western Australia
Appointed 12/07/2023

An executive leader from Western Australia, Northern Territory and Queensland, recognised for her significant contributions to the Indigenous community, mining industry, and public administration. With over two decades of experience, she has established herself as a respected figure in economic development, community services, and project management.

Current roles include: Chair, Partnerships for Local Action & Community Empowerment; Advisory Board Member, Office of the Indigenous Economy; Board Member of the East Metropolitan Health Service; Advisory Board Member for Newmont Global Indigenous Relations and with the Centre for Social Responsibility in Mining; non-executive Director of the K Farmer Dutjah Foundation.

Previous roles include: Director of Desert Knowledge Australia; non-executive Director of Indigenous Business Australia; Co-Chair of the Aboriginal Working Group for the Chamber of Minerals and Energy of Western Australia.



Robert Edel
LLB, LLM, GAICD

Member from Western Australia
Appointed 01/12/2024

A commercial lawyer and corporate advisor with over 35 years' experience in mining, energy, infrastructure, renewable energy, and digital infrastructure sectors. Former Global Head of Mining at King & Wood Mallesons and another major international firm. Advises on strategy, risk management, corporate governance, project development and financing across Australia, Asia, Africa, and Latin America, with particular expertise in Northern Australia.

Current role: Non-executive Director, Syrah Resources Limited.

Previous roles include: Board Member, Fremantle Ports; Foundation Chairman, Stop the Toad Foundation.



Jim Betts

Secretary, Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts

A public servant with over 30-years' experience working in the UK, Victorian, New South Wales and Australian Governments across transport, infrastructure and planning portfolios.

Current role: Secretary, Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts (appointed July 2022).

Previous roles include: Partner, EY Port Jackson Partners; Secretary, NSW Department of Planning, Industry & Environment; Chief Executive Officer, Infrastructure NSW; Secretary, Victoria Department of Transport; Director of Public Transport, Victoria.

Under the NAIF Act, the Secretary of the Department is able to delegate the Ex-Officio responsibilities to authorised Senior Executive Service officials from the department as nominated alternatives.

During 2025-26, the Secretary has authorised the Ag Deputy Secretary, Sport, Territories and Regions and the Ag Assistant Secretary, Office of Northern Australia to act as Secretary's Delegate during NAIF meetings.



APA GROUP LTD
Chichester Solar Gas Hybrid Project, WA

Board
Profiles and Photos (Continued)



Kate George
LLB, Hon DLaws GAICD

Member from Western Australia
Appointed 29/3/2019, resigned 31/3/2026

A consultant with an extensive legal background and significant experience working in the resources industry, and renewable energy, regional and Indigenous business, infrastructure and asset management and is experienced as a Board Member. A Putejurra woman involved in Aboriginal affairs for over 40 years including holding senior public service positions. Background in land access agreements and development opportunities with traditional owners, government and resources sector across Northern Australia including the Pilbara.

Current roles include: Senior Consultant, Claypan Services Pty Ltd; Director, Warlparringu Pty Ltd; Board member, Clean Energy Finance Corporation.

Previous roles include: CEO, Kariyarra Mugarinya Property Joint Venture; Ministerial Advisor State and Federal Governments; Member, Northern Region TAFE Governing Council; Managing Director, PwC Indigenous Consulting; Director, IBA Assets Management Pty Ltd. (IBA-AM); Non Executive Chair of Ten Sixty Four Limited.

Nominated alternates

Lisa Rauter PSM
First Assistant Secretary, Regional Development, Northern Australia and Local Government (Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts).

Jane Christie
(until 11/02/2026)

Assistant Secretary, Northern Australia Investment and Projects Branch, Partnerships and Projects Division

Kynan Gowland
(from 11/02/2026)

A/g Assistant Secretary, Office of Northern Australia

PILBARA PORTS
Port of Dampier, WA
Supplied by Pilbara Ports

Risk Management

Our Risk Management Framework

NAIF's Risk Management Framework (RMF) empowers our employees to confidently approach and harness the opportunities that risk provides. This framework enables our Board, Executive Management Group (EMG), and employees to make informed risk decisions through a consistent methodology. Our Framework ensures that risks are considered and mitigated through internal controls, supporting the achievement of NAIF's strategic goals while maintaining alignment with the International Standard for Risk Management (ISO 31000), Commonwealth Risk Management Policy and the PGPA Act.

Enterprise risks and appetite

NAIF's Board-approved Risk Appetite Statement (RAS) defines the level of risk NAIF is willing to accept in pursuing its strategic objectives. The RAS guides risk-based decision making across investment, organisation and behaviour activities and is reviewed annually to ensure it remains aligned with NAIF's Mandate, operating environment and emerging risks. As part of the FY25-26 annual review, NAIF refined its enterprise risk categories to better reflect the organisation's risk profile and strengthen oversight of key risk exposures.

Recognising the distinct nature of these risks, Information Management and Data were separated into individual risk categories, providing greater visibility of risks associated with information governance, data quality, security, privacy and data driven decision making. NAIF also expanded Sustainability into two discrete categories: Investment Sustainability, which considers sustainability related risks and opportunities associated with investments and transactions, and Sustainability and Impact, which focuses on enterprise sustainability outcomes, including NAIF's broader economic, social and environment impacts. NAIF continuously scans the internal and external environment for emerging risks which may impact NAIF's ability to achieve strategic goals.

Risk management maturity

NAIF has an ongoing commitment to risk management and compliance practices. A risk strategy was created during FY25-26 which contained key focus areas for improvement across NAIF's risk and compliance practices. The strategy was developed with reference to NAIF's 2025 Comcover Risk Management Benchmarking Survey results, the outcomes of an internal audit of NAIF's Risk Management Framework, and consideration of industry better practice guidance. The risk strategy will be carried into the next financial year.

Risk insight and decision making

As the external environment continues to evolve, so too do NAIF's risk practices. During FY25-26 NAIF enhanced its approach to risk monitoring and analysis to support timely, informed decision-making across the organisation. The increased use of key risk metrics and thresholds, scenario analysis and forward-looking risk insights has strengthened NAIF's ability to assess uncertainty, monitor trends and consider a broader range of potential outcomes when making strategic and operational decisions. By strengthening these practices, NAIF is better equipped to anticipate risks, evaluate opportunities and make informed decisions in support of its strategic objectives and mandate.

Risk through systems and capability

To achieve the integration of risk practices we focused on the adoption of systems and improved process design. These enhancements have enabled more consistent risk capture, assessment, and reporting across the organisation. System improvements have also supported greater visibility of risks at both operational and enterprise levels, improving responsiveness and decision-making. By aligning technology with risk workflows, we have strengthened frontline engagement and supported a more confident, capability-led approach to risk management. This work marks a shift from policy to practice, ensuring risk is embedded not only in intent but in execution.

Risk oversight

The Board has overall responsibility for risk management, setting NAIF's risk appetite and monitoring performance against the appetite. The Board's oversight is supported by the BARC, and internal management groups.

The Board engages an independent internal auditor to review the adequacy of risk management and internal controls. In addition, the ANAO perform an independent audit of NAIF's financial statements.

Role of committees

The BARC assists the Board to fulfil its governance and risk oversight responsibilities in accordance with its Charter and the requirements of the PGPA Act and Rules.

The Committee provides independent oversight of NAIF's Risk Management and Compliance Frameworks, internal control environment, financial reporting and compliance arrangements, supporting the Board in maintaining a system that is fit for NAIF's operating context and strategic objectives. Management provides regular reports to the BARC to support oversight of NAIF's key governance, risk, compliance and financial management activities. Underpinning this responsibility is Quarterly Risk and Compliance reporting. This reporting details NAIF's current risk profile, emerging risks, control environment, audit actions, incidents, compliance breaches, and management actions. The Committee monitors NAIF's risk profile against the RAS to assess changes in the operating environment and oversees management's actions to address key risk exposures. The BARC met four times during the year, with the Chair reporting to the Board following each meeting on key matters, recommendations and areas of focus.

Internal management groups support our processes and demonstrate risk management through individual accountability by the relevant executive team members. The groups are as follows:

- Executive Management Group (EMG)
- Portfolio Management Group (PMG)
- Investment Review Group (IRG)

Figure 10: Key enterprise risks

Investment	Organisation	Behaviours
▪ Impact	▪ Strategy	▪ People
▪ Debt	▪ Financial	▪ Integrity & Fraud
▪ Equity	▪ Compliance	▪ Health & Safety
▪ Investment Sustainability	▪ Cyber Security & IT Disruption	
▪ Portfolio	▪ Data	
	▪ Information Management	
	▪ Stakeholder Relations	
	▪ Sustainability & Impact	

Figure 11: Key Management Groups

EXECUTIVE MANAGEMENT GROUP (EMG)

Identifies and reviews NAIF's strategic and operational risks, implementation of risk management, and management of issues in the completion of NAIF's day to day activities.

PORTFOLIO MANAGEMENT GROUP (PMG)

Oversees NAIF's portfolio of investments, including portfolio performance, risks and issues, including IES performance.

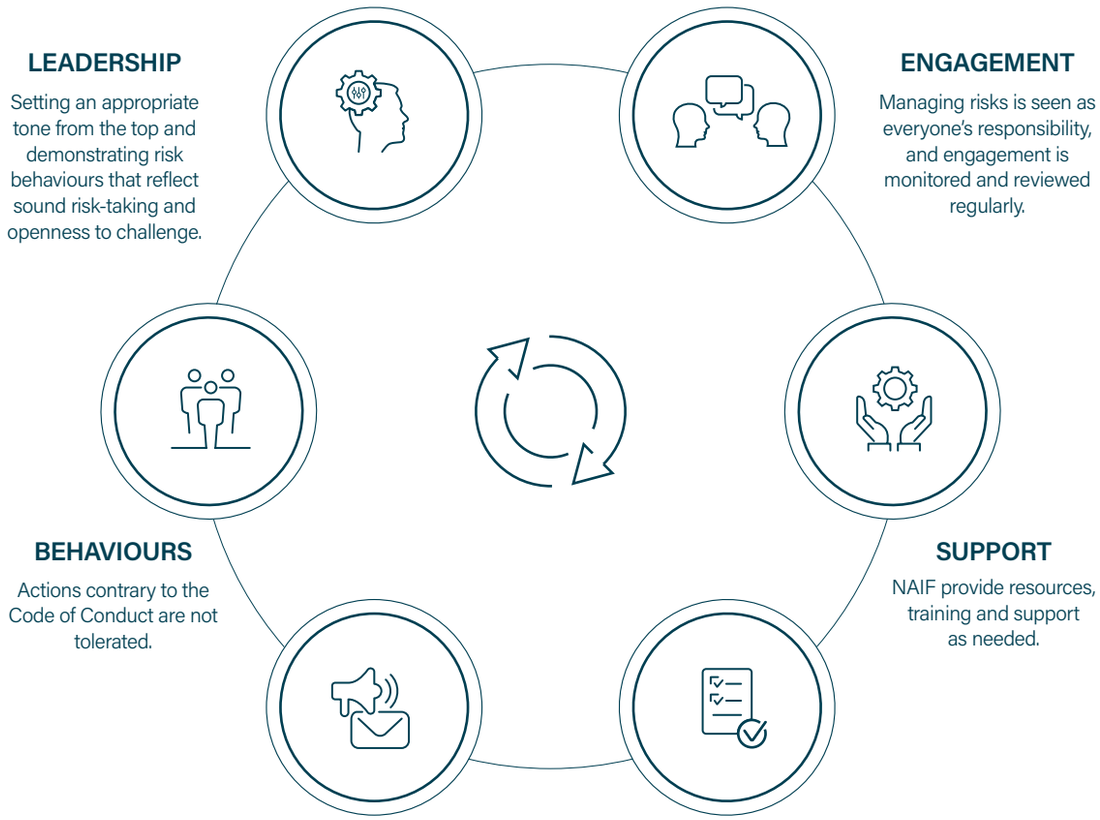
INVESTMENT REVIEW GROUP (IRG)

Reviews strategic assessments, investment due diligence, and Investment Decisions prior to being provided to the Board.

Risk Management

NAIF's Risk Vision is to use risk management as an enabler to seize opportunities, protect the organisation and support the achievement of NAIF's vision and strategic imperatives. Establishment of a positive risk culture is integral to delivering NAIF's risk vision. Risk culture is fundamental to the safe and sound operation of the organisation. The Framework defines risk culture as the following:

Figure 12: Risk Culture Elements



LEADERSHIP

Setting an appropriate tone from the top and demonstrating risk behaviours that reflect sound risk-taking and openness to challenge.

ENGAGEMENT

Managing risks is seen as everyone's responsibility, and engagement is monitored and reviewed regularly.

BEHAVIOURS

Actions contrary to the Code of Conduct are not tolerated.

SUPPORT

NAIF provide resources, training and support as needed.

COMMUNICATIONS

Feedback about risk management is welcomed, review and challenges are accepted, and a shared understanding of risk is fostered.

RISK AS AN ENABLER

Risk is widely regarded as an enabler in the organisation and risk considerations form part of the day-to-day decision making at NAIF.



GENEX POWER
Kidston Pumped Storage Hydro Project, QLD

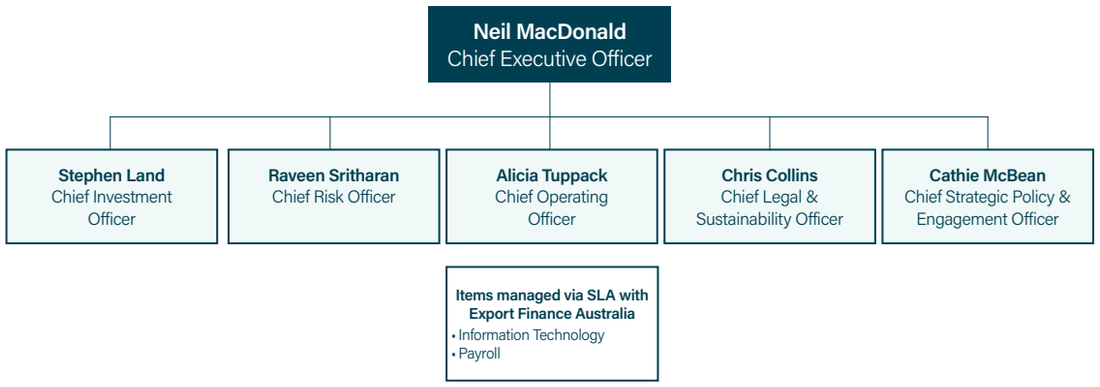
Our People

Organisational structure and location

NAIF's head office in Cairns allows the CEO and employees to develop strong relationships across Northern Australia. NAIF also has employees located in Darwin, Townsville, Brisbane, Perth and Sydney. NAIF's Executive Management Group includes the CEO and business unit leads. Specialists within these business units have responsibilities for work health and safety, people and culture, financial analysis and contract negotiations, Indigenous outcomes, portfolio management, corporate planning and reporting, communications and stakeholder relations, legal, governance, risk and compliance.

NAIF relies on its people and culture to achieve its purpose. Attracting and retaining the right people is critical to NAIF's ongoing success. The recruitment approach is continually refined and enhanced to ensure NAIF reaches a diverse range of candidates that have experience living and working in Northern Australia along with the technical expertise required. NAIF remains positioned to anticipate and respond to changes in government policy and market conditions and the needs of proponents and projects investing in Northern Australia.

Figure 13: NAIF executive management organisational structure (as at 30 June 2026)



Service Level Agreement (SLA) with Export Finance Australia

As NAIF has grown and matured, some corporate service functions have transitioned from being managed by Export Finance Australia to being managed directly by NAIF, except for Information Technology[8] and Payroll. These areas are proposed to transition to NAIF during FY26-27.

[8] Post 30 June 2026 Information Technology was successfully transitioned from EFA. A project plan is being developed to transition Payroll from EFA during FY26-27.

People

NAIF has secured a committed team with extensive experience as lenders and/or financial advisors in the commercial market. This includes expertise advising both public and private sector counterparts. NAIF has also recruited people with specialist legal, stakeholder relations and communications, risk and governance, Indigenous outcomes and corporate administration expertise.

Values

NAIF is guided by our core values which underpin our organisational culture and the way we go about our work to deliver on our purpose.

NAIF is committed to providing a high performing culture where its people have support to succeed and grow. Our focus is on developing technical and leadership capabilities through tailored learning and development opportunities that support our individual and collective growth, enabling the business to be agile.

Workforce demographics

As NAIF grows and matures, it continues to expand its capabilities by recruiting experienced talent to meet current and future needs. During FY25-26 NAIF grew its team from 54 to 57 (an increase of 3 people) through targeted recruitment, primarily to support business expansion. As at 30 June 2026, NAIF had 55.8 Full Time Equivalent (FTE) employees. This includes one Australian Government Average Staffing Level (ASL) position, representing the CEO position, as reported in the Portfolio Budget Statements.

Figure 14: NAIF core values

NAIF purpose: *We contribute to the Nation by proudly investing in the growth of Northern Australia*

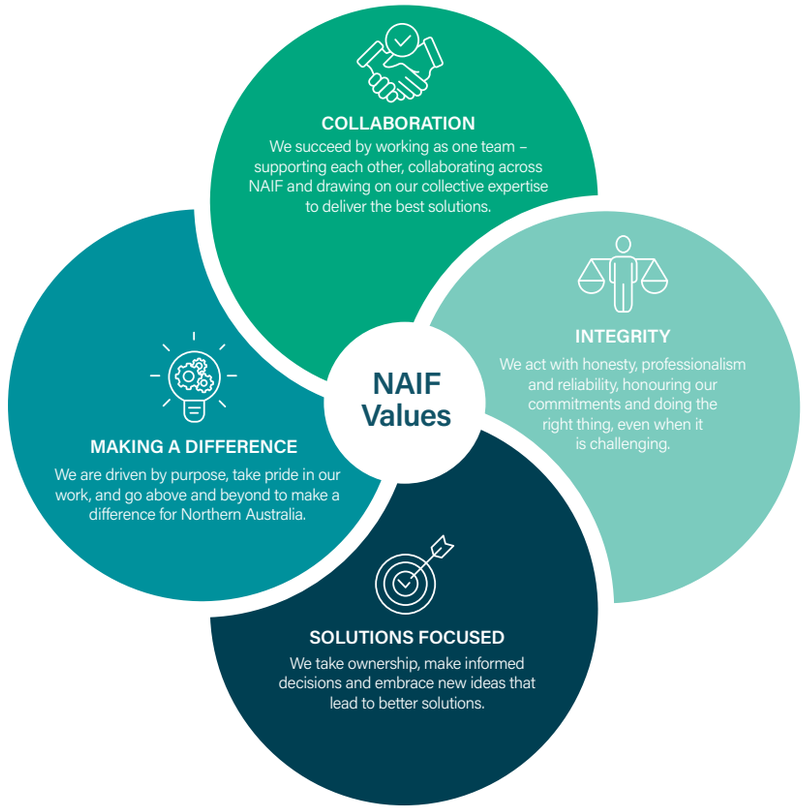


Figure 15: Number of FTE employees

	30 June 2026	30 June 2025
Total FTE staff	55.8	52.3

Figure 16: Number of Full-Time / Part-Time employees (by headcount)

	30 June 2026	30 June 2025
Full-Time employees	51	48
Part-Time employees	6	6

Figure 17: Location of employees (by headcount)

	30 June 2026	30 June 2025
Cairns	28	27
Brisbane	2	2
Darwin	5	4
Townsville	1	1
Perth	5	6
Sydney	16	14

Diversity and inclusion

It is a strategic priority for NAIF to build and maintain a diverse workforce with the technical skills to fulfill its purpose. NAIF believes that diversity of thought helps to build employee engagement, drive innovation and results, and allows it to respond effectively to the diverse needs of all stakeholder groups.

NAIF champions a constructive and inclusive culture that embraces the different perspectives, identities and experiences of its people. NAIF provides equal opportunity in all aspects of employment, including employment conditions, recruitment and selection, remuneration and learning and development. NAIF recognises that its culturally diverse team enhances its ability to deliver projects that are culturally appropriate for Northern Australia.

NAIF's Equal Employment Opportunity (EEO) Program has a specific focus on designated groups which include those identifying as female; Aboriginal or Torres Strait Islander; those who migrated to Australia whose first language is not English and the children of those persons; and persons with physical or mental disability. It is guided by the EEO Advisory Group, comprised of representatives from each designated group.

The 2026 NAIF employee engagement survey received positive results with respect to EEO and Inclusion initiatives undertaken by NAIF, indicating it is a diverse organisation that respects all cultural values and beliefs, with team members feeling supported to bring their full and authentic selves to work.

Figure 18: NAIF workforce diversity at 30 June 2026

Classification	NESB[1] headcount		ATSI[2] headcount		PWD[3]	
NAIF employees	23	40%	5	9	1	2%

[1] NESB = Non English speaking background (or with parents from a non-English speaking background).
[2] ATSI = Aboriginal or Torres Strait Islander background.
[3] PWD = People with a disability.

Gender equality reporting

NAIF contributes to a more gender equal Australia by building an inclusive, high-performing workforce in Northern Australia that supports equitable participation, leadership and economic security for its people. As at 30 June 2026, women represented 46% of NAIF employees. Diverse experience and perspectives strengthen NAIF's decision-making and support effective delivery of its mandate to invest in the growth of Northern Australia.Through that mandate, NAIF contributes to public benefit in Northern Australia such as local job creation, improved access to infrastructure and services, and stronger regional liveability, which can improve outcomes for women across the north.

In FY25-26, NAIF focused on practical initiatives aligned with the Working for Women priorities of economic equality and security, health and leadership, representation, and decision-making. NAIF achieved its inaugural Great Place to Work certification, reflecting the strength of its culture and how it enables employees to deliver on NAIF's purpose and strategy. NAIF also continued its annual gender pay gap analysis, considered as part of the annual remuneration review to support fair and transparent pay decisions.

NAIF's flexible work arrangements and employee benefits also support gender equality by helping employees balance work, travel, caring and personal commitments and participate fully in the workforce. As at 30 June 2026, six employees worked part-time (11%) and 44 employees had flexible work arrangements to work from home one or two days per week (77%). This helps reduce practical barriers to participation and progression so employees can contribute and succeed regardless of gender.

Figure 19: NAIF gender equality reporting at 30 June 2026

Classification	Female headcount		Male headcount		Uses a different term	
NAIF employees	26	46%	31	54%	0	0%

Employee engagement

In May 2026, NAIF conducted its fourth culture survey to assess employee engagement and ensure the continued cultivation of a positive organisational culture aligned with NAIF's values and purpose (previous surveys occurred in June 2023, March 2024 and December 2024). It also conducted the Great Place to Work survey in February 2026, resulting in NAIF obtaining its first globally-recognised Great Place to Work certification.

Both surveys returned positive results, reflecting strong employee engagement, alignment with NAIF's values and purpose, and continued confidence in the organisation's culture. The findings were shared with all employees, and each Business Unit team engaged in discussions on how to further strengthen and build upon NAIF's organisational culture.

Learning and development

NAIF employees are provided access to a comprehensive learning and development curriculum. Employees complete a structured induction process facilitated by the People & Culture team, which encapsulates all areas of the business.

Upskilling and other specialist training is made available to all employees as required for their role.

As part of NAIF's annual performance and development program, employees have career discussions with their People Leaders and identify development plans looking at both current and future skill needs.

With a 'build' talent strategy, NAIF offers developmental opportunities for its employees to succeed in their careers. NAIF's succession planning process identifies critical positions and critical people throughout the business, including the Executive Management team. The process considers future leadership capability; business direction and continuity; retention of high value talent; and retention of organisational knowledge. NAIF undertakes succession planning annually with regular review of action outcome plans.

NAIF encourages its employees to attend, participate in, and present at, thought leadership and industry conferences, and to share what they have learnt within their team and business unit.

Employee benefits

Working flexibly

NAIF offers an agile working environment to provide employees with options to assist them in managing their work, travel and personal commitments. This flexibility takes many forms, allowing each employee to adopt an approach that meets their individual needs. All employees have the technology to work remotely, or from any NAIF office. NAIF employees have both structured and ad-hoc (as required) flexible work arrangements available.

Wellbeing initiatives / Employee Assistance Programs

NAIF has adopted a holistic approach to wellbeing, emphasising areas such as inclusion and diversity, financial benefits and wellbeing practices through an employee benefits program assisting with managing the cost of living and physical and mental wellbeing. NAIF's employees benefit from several tailored wellbeing initiatives, which promote improved health awareness, self-management skills and healthy work practices. NAIF's employees and their immediate families have access to an Employee Assistance Program, with access to a free confidential counselling service and other support services.

Work, Health and Safety (WHS)

NAIF is committed to providing a positive and safe work environment for all its people in line with the requirements under the *Work Health and Safety Act 2011* (WHS Act).

NAIF's WHS committee comprises of Site WHS Leads and Executive Management sponsors and meets on a quarterly basis. During this reporting period, the committee focused on interpreting employee feedback from the two surveys and identifying actions to support wellbeing, engagement and psychosocial safety.

NAIF's office space is in secure buildings with restricted security pass access and ergonomic equipment.

NAIF consults employees on WHS matters, including the suitability of facilities and work environment. It supports a positive and productive workplace by recording and monitoring hazards and controls. Reports of incidents and near misses are reviewed and investigated, with improvement controls implemented to reduce the risk and mitigate the consequences of an event.

NAIF has again had no reportable workplace injuries among employees and contractors for the reporting period. NAIF was not investigated and did not receive any notices or record any 'notifiable incidents' under the WHS Act during the reporting period.

Executive remuneration policies and practices

In accordance with the PGPA Rule 2014 and the Commonwealth entities executive remuneration reporting guide for annual reports (RMG 138), NAIF reports on the policies that support its remuneration practices.

Figure 20 lists the Key Management Personnel (KMPs) for FY25-26. It includes all Board Members and those Executives deemed to be KMPs by the Board. These individuals are identified as KMPs consistent with the definition in the Australian Accounting Standards Board (AASB) 124 Related Party Disclosures.

A further eight employees are classified as Other Highly Paid Staff (OHPS) for the purposes of Commonwealth's remuneration reporting, outlined in figure 23. OHPS are employees who are neither KMP nor senior executives and whose total remuneration exceeds the $265,000 threshold for the FY25-26 reporting period.

Figure 20: FY25-26 KMPs

Name	Title	Term as KMP
Board		
Ms Tracey Hayes	Chair	Full year
Mr Grant Cassidy	Board Member	Full year
Ms Kate George	Board Member	Part year – ended March 2026
Ms Lisa Hewitt	Board Member	Full year
Mr Steve Margetic	Board Member	Full year
Ms Vanessa Elliott	Board Member	Full year
Mr Robert Edel	Board Member	Full year
Delegates of the Secretary	Board Member	Full year
Management		
Mr Craig Doyle	Chief Executive Officer	Part year – ended March 2026
Mr Neil MacDonald	Chief Executive Officer	Part year – started March 2026
Ms Alicia Tuppack	Chief Operating Officer	Full year
Mr Christopher Collins	Chief Legal & Sustainability Officer	Full year
Mr Stephen Land	Chief Investment Officer	Full year
Ms Catherine McBean	Chief Strategic Policy & Engagement Officer	Full year
Mr Raveen Sritharan	Chief Risk Officer	Part year – started September 2025

One Board member, Ms Kate George, completed her term on 31 March 2026.

Remuneration

To achieve its business outcomes, as outlined in the Corporate Plan and more broadly through Government direction including the Investment Mandate, NAIF needs to be able to attract, reward and retain skilled employees.

NAIF's employee remuneration framework and processes are directed to supporting that outcome, recognising that NAIF works within an acceptable cost framework and complies with relevant Commonwealth Government policies for statutory agencies.

NAIF employees are employed on common law contracts. They are not considered public servants and are not covered by the Australian Public Service Act 1999.

NAIF's remuneration structure is designed to be competitive and reward high performance while complying with NAIF's regulatory obligations.

All employees' remuneration consists of fixed annual remuneration inclusive of superannuation only. NAIF's remuneration structure acknowledges the parameters of the APSC Workplace Bargaining Policy.

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Fixed Annual Remuneration (FAR)

FAR is comprised of base salary, superannuation contributions and any non-cash benefits.

Factors considered when setting the appropriate FAR for each executive includes market data for comparable roles, complexity of the role, internal relativities, an individual's skills and experience, and performance assessments. NAIF uses salary benchmarking data, including the Financial Institutions Remuneration Group (FIRG) data, and other relevant Government and market information to establish appropriate remuneration bands for each role. NAIF benchmarks remuneration with the aim to position total remuneration competitively against comparable organisations. The guiding principle for remuneration benchmarking is to position total remuneration towards the mid-point of the benchmark for comparable roles in the Australian market while working within the parameters set by the APSC.

Remuneration governance arrangements

The CEO and Senior Director, People and Culture are accountable for ensuring NAIF rewards employees responsibly, with regards to performance of NAIF, individual performance, statutory and regulatory requirements, and current business norms.

The Board is responsible for ensuring NAIF has coherent policies and practices that fairly and responsibly manage the performance and remuneration arrangements for the CEO and senior executives. The NAIF Board includes a People and Remuneration Committee (PRemCo) whose primary role is to provide oversight of NAIF's people and remuneration policies and strategies.

Salary increases

NAIF takes into consideration the parameters of the Remuneration and Funding Declaration (Declaration) under the Workplace Bargaining Policy approved by the APSC Commissioner.

Employees who commence after 1 April are not eligible for a salary review in September of their starting year.

Employees on extended leave, including parental leave, are eligible and considered for a remuneration increase. This principle is consistent with best practice, as a mechanism to assist in reducing the gender pay gap.

Salary increases have regard to individual performance, career progression and comparable market data.

The CEO's salary is reviewed and paid according to the determination of the independent Commonwealth Remuneration Tribunal (the Tribunal).



Townsville, QLD

Board members

All NAIF Board Members are appointed by the Commonwealth Government through the responsible Minister. These appointments are made in accordance with s15 of the NAIF Act. Board Fees for Board Members are set and paid according to the Tribunal, an independent statutory authority overseeing the remuneration of key Commonwealth officers.

The Tribunal sets annual Chair and Board fees (exclusive of statutory superannuation contributions). Additional fees are payable to those Board Members appointed as members of the NAIF Board Audit and Risk Committee (BARC).

Figure 21 : Remuneration Tribunal (the Tribunal) Board and Committee fees (excluding superannuation) for FY25-26

Position	Annual Fee set by the Tribunal	Note
NAIF Chair	$135,800	
NAIF Board Member	$67,510	The Delegates of the Secretary are not remunerated.
NAIF BARC Chair	$18,510	
NAIF BARC Member	$9,260	

CEO remuneration and performance evaluation

The CEO position is classified as a Full-Time Public Office holder under the Tribunal Determinations.

In accordance with the Tribunal Determination 2026, total remuneration for the CEO was $533,550. In accordance with the Tribunal's determination the CEO position is not entitled to a Bonus.

The NAIF Board sets annual KPI's for the CEO and undertakes a formal performance evaluation each year which is coordinated by the Chair.

FY25-26 remuneration information

The following tables detail the remuneration paid to NAIF KMPs and OHPS in FY25-26.



ARAFURA RARE EARTHS LIMITED
Nolans Bore Rare Earths Project

Figure 22: Remuneration paid to KMP's in FY25-26

				Short-Term Benefits			Post-Employment Benefits	Other Long-Term Benefits			
Name	Position Title	Salary	Annual Leave Adjustment	Base Salary	Variable Remuneration	Other Benefits And Allowances	Superannuation Contributions	Long Service Leave	Other Long-Term Benefits	Termination Benefits	Total Remuneration
		$	$	$	$	$	$	$	$	$	$
Board Members											
Tracey Hayes	Board Chair	135,800	-	135,800	-	-	16,296	-	-	-	152,096
Lisa Hewitt	Board Member & Chair Audit Committee	86,020	-	86,020	-	-	10,322	-	-	-	96,342
Steve Margetic	Board Member & Audit Committee	76,770	-	76,770	-	-	9,212	-	-	-	85,982
Robert Edel	Board Member & Audit Committee	76,770	-	76,770	-	-	9,212	-	-	-	85,982
Grant Cassidy	Board Member	67,510	-	67,510	-	-	8,101	-	-	-	75,611
Vanessa Elliott	Board Member	67,510	-	67,510	-	-	8,101	-	-	-	75,611
Kate George	Board Member	50,632	-	50,632	-	-	6,076	-	-	-	56,708
CEO & Executives											
Neil MacDonald	Chief Executive Officer, NAIF	158,899	10,958	169,857	-	-	19,068	2,977	-	-	191,902
Stephen Land	Chief Investment Officer	499,895	-6,944	492,951	-	-	30,286	11,892	-	-	535,129
Christopher Collins	Chief Legal & Sustainability Officer	398,395	-10,968	387,427	-	-	30,258	9,654	-	-	427,339
Catherine McBean	Chief Strategic Policy & Engagement Officer	340,284	11,010	351,294	-	-	30,200	8,318	-	-	389,812
Raveen Sritharan	Chief Risk Officer	334,578	14,556	349,134	-	-	27,325	7,282	-	-	383,741
Alicia Tuppack	Chief Operating Officer	306,463	-3,272	303,191	-	-	57,708	7,703	-	-	368,602
Craig Doyle	Chief Executive Officer, NAIF	319,622	-44,464	275,158	-	-	38,583	7,788	-	-	321,529
TOTAL		**2,919,148**	**-29,124**	**2,890,024**	**-**	**-**	**300,748**	**55,614**	**-**	**-**	**3,246,386**

Figure 23: Remuneration paid to Other Highly Paid Staff in FY25-26

		Short-Term Benefits			Post-Employment Benefits	Other Long-Term Benefits		Termination Benefits	Total Remuneration
Remuneration Band	Number Of Other Highly Paid Staff	Average Base Salary	Average Variable Remuneration	Average Other Benefits And Allowances	Average Superannuation Contributions	Average Long Service Leave	Average Other Long-Term Benefits	Average Termination Benefits	Average Total Remuneration
		$	$	$	$	$	$	$	$
$265,000 – $275,000	2	236,214	-	-	28,557	6,207	-	-	**270,977**
$275,001 – $300,000	1	249,631	-	-	30,180	6,324	-	-	**286,135**
$300,001 – $325,000	1	266,250	-	-	31,237	6,629	-	-	**304,116**
$350,001 – $375,000	2	313,304	-	-	34,010	7,821	-	-	**355,135**
$375,001 – $400,000	1	331,554	-	-	38,679	7,813	-	-	**378,045**
$400,001 – $425,000	1	367,503	-	-	30,211	8,775	-	-	**406,489**



HUMPTY DOO BARRAMUNDI
Farm Expansion Project, NT

Climate Disclosure

Climate statement

Climate change presents both risks and opportunities for Northern Australia, influencing the resilience of infrastructure, regional economies and the long-term delivery of public benefit. As the Australian Government's infrastructure financier for Northern Australia, NAIF recognises the impact of climate change on businesses and communities and aligns with government policy on carbon reduction.[9]

During FY25-26, NAIF advanced its understanding and management of climate-related risks and opportunities, strengthening its overall approach to climate assessment. Our efforts have focused on balancing climate-related risks and opportunities against the delivery of our strategic objectives, in a way that creates enduring value for stakeholders and supports enhanced reporting requirements. In FY25-26 we implemented a series of targeted initiatives, including:

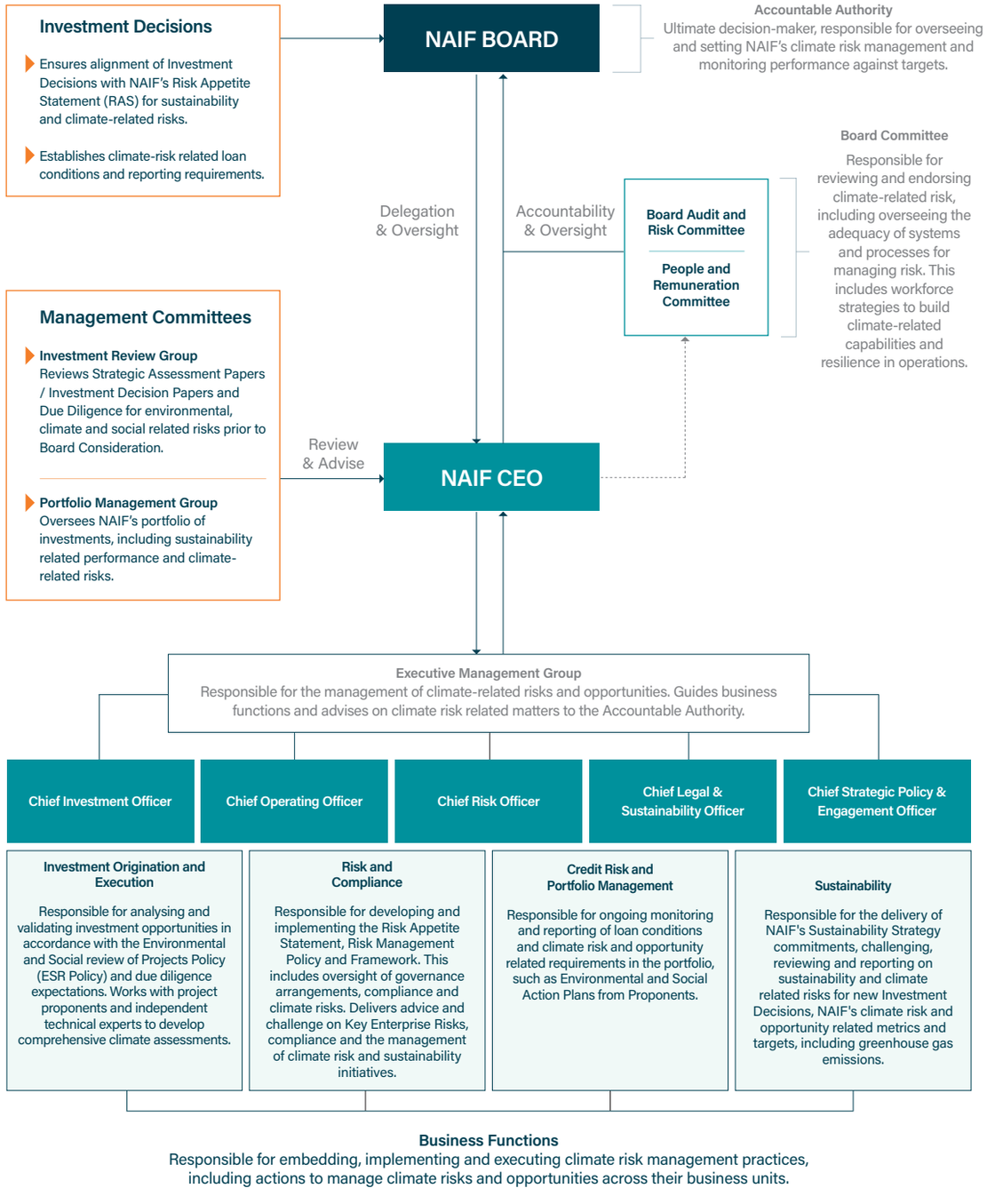
- Progressed implementation of operational emissions reduction initiatives, including sourcing Greenpower where available, and use of carbon offset programs to address corporate travel emissions as part of ongoing efforts to lower the organisation's carbon footprint;
- Continued the measurement of NAIF's financed emissions across its portfolio, embedding emissions analysis into investment assessment and reporting processes;
- Maintained a disclosure log to support transparency in internal risk management processes during early stage project assessments;
- Further integrated climate-related risks and opportunities into the implementation of NAIF's Environmental and Social Review of Projects (ESRP) Policy, focusing on physical and transition climate impacts across the life of projects;
- Completed climate scenario analysis across NAIF's operations and investment portfolio risk assessment to understand our material climate-related risks and opportunities;
- Enhanced climate governance arrangements through regular Board oversight, completion of an internal audit of climate-related activities, and a dedicated deep dive into NAIF's sustainability enterprise risks;
- Participated in public sector climate risk forums and collaborative initiatives, contributing to discussions on climate-related policy development, regulatory reform, and better practice approaches to climate risk management; and
- Enhanced ongoing capability development through targeted climate governance and risk training for the Board and employees involved in climate risk assessment.

Northern Australia faces varied climate-related physical and transition risks, as well as opportunities. NAIF is continuing its climate risk maturity uplift, aligning its operations and Investment Decisions with the objectives of reducing emissions, adapting to climate change and supporting the transition to a low-carbon economy through investments in greenhouse gas (GHG) emissions reduction and climate resilience initiatives.

NAIF will continue to evolve and integrate these risks and opportunities into its operations, aligning with the Enterprise Risk Management Framework (ERMF) and NAIF's strategic focus. NAIF's Investment Mandate will guide its strategic response to Government's environmental, social and governance (ESG) goals, with high-priority areas, including decarbonisation and the clean energy transition, job creation and socio-economic responsibility, engagement with First Nations peoples and communities, and building a skilled and diverse workforce.

[9] This climate-related disclosure contains forward-looking statements, including statements in relation to climate change and other environmental and energy transition and adaptation scenarios. While these forward-looking statements reflect NAIF's expectations, and strategic focus at the date of this report (including with respect to its objectives and plans regarding climate change), they may be affected by a range of variables which could cause actual outcomes and developments to differ materially from those expressed in such statements. These variables include but are not limited to: financial and economic conditions in various markets; fluctuations in demand, price, or currency; operating capacity; development progress, including approvals; risks, including physical, technology and GHG emissions reduction risks; commercial industry competition; loss of market for NAIF's products; government policy, legislative, fiscal, and regulatory developments; the conduct of joint participants and contractual counterparties; and estimates relating to cost, reserves and resources.

Figure 24: NAIF's Climate Governance Structure



Governance

NAIF's governance framework is supported by a comprehensive suite of policies that incorporate statutory responsibilities under relevant legislation. For further details, refer to the Corporate Governance section (page 71). Figure 24 presents NAIF's governance structure for climate change, while figure 25 offers additional information on roles and responsibilities. Figures 25 and 28 should be read alongside the Board, Risk Management, and People sections (pages 48-69) of this Annual Report for further details on roles, responsibilities and activities throughout the year.

Figure 25: Roles and responsibilities related to climate risk and opportunity management

Role	Responsibilities
Board	The Board, established under the NAIF Act and appointed by the responsible Minister, is the accountable authority, with overall responsibility for NAIF's governance, strategic direction, and management of the Risk Management Framework, including climate-related risks and opportunities
Board Audit and Risk Committee (BARC)	The BARC oversees sustainability management, performance, assurance, and reporting with a focus on monitoring climate risk, providing quarterly reporting to the Board on these matters.
People and Remuneration Committee (PRemCO)	The PRemCO, oversees how sustainability considerations are incorporated into NAIF's people, capability, and accountability frameworks, supporting cultural change and workforce planning aligned with NAIF's climate objectives, reporting quarterly to the Board on these matters.
Investment Review Group (IRG) / Portfolio Management Group (PMG)	NAIF's IRG/PMG meets quarterly, to contribute and monitor Investment Decisions, ensuring alignment with sustainability objectives.
Chief Executive Officer (CEO)	The CEO guides the Executive team in advancing NAIF's climate strategy and objectives.
Chief Legal and Sustainability Officer (CLSO)	The CLSO provides executive leadership for NAIF's sustainability function, overseeing the development and implementation of NAIF's sustainability framework, climate-related strategy and disclosure program. The CLSO is responsible for integrating climate-related risks and opportunities into governance, enterprise risk management and investment decision-making, while also ensuring NAIF's contractual obligations with Proponents, including information and audit rights, are appropriately managed.
Chief Investment Officer (CIO)	The CIO ensures compliance with the ESR Policy and legislative climate requirements within Investment Decisions.
Chief Risk Officer (CRO)	The CRO manages portfolio risks, including emissions monitoring from Investment Decisions and enterprise risk and compliance.
Chief Strategic Policy and Engagement Officer (CSPEO)	The CSPEO oversees stakeholder consultation, Indigenous outcomes, and policy engagement, ensuring alignment with NAIF's strategy and climate goals.
Chief Operating Officer (COO)	The COO oversees finance, IT, property, procurement and reporting, integrating elements to support NAIF's climate goals.
Risk and Compliance	The Risk and Compliance team provides quarterly Risk Management and Compliance (RMAC) reports to the BARC on sustainability risks and opportunities, offering a review and challenge function for climate-related risks identified in NAIF's first line of defence, and to highlight key activities.

Throughout FY25-26, the Board, supported by the BARC, maintained active oversight of NAIF's climate-related governance through its regular consideration of climate strategy, risk management, assurance and disclosure matters. This oversight supported the progressive implementation of NAIF's climate-related objectives, monitored performance against key performance indicators, and strengthened the integration of climate-related risks and opportunities into organisational decision-making. During the reporting period, the Board also approved NAIF's Sustainability Strategy, including the associated three-year implementation and delivery plan, establishing the strategic direction for the continued maturity of NAIF's climate governance, risk management and disclosure practices. The principal climate-related matters received, and considered by the Board and BARC during FY25-26 are summarised in Figure 26.

Figure 26: Governance activity

Governance activity	FY25-26
Climate disclosure implementation updates	✓
Climate Scenario Analysis and Climate Risk and Opportunity Register Outcomes	✓
Investment Sustainability and Sustainability & Impact Risk Deep Dive Report	✓
Sustainability Strategy and Implementation Plan	✓
Internal Audit of Climate related activities	✓
Climate-related risk training and insights session, including ASFI briefing	✓
Financed emissions methodology and reporting	✓
Emerging climate and industry developments	✓

Enhancing our climate-related capability and accountability

Building on the progress made in FY24-25 (see previous NAIF Annual Reports), NAIF continued to embed climate knowledge, governance and accountability across the organisation to support our processes and improve our climate readiness and resilience. A foundational understanding of climate change is now embedded within NAIF's mandatory induction and compliance training, with all new starters, completing the Department of Climate Change, Energy, the Environment and Water (DCCEEW) Introduction to Climate Change module. Recognising that some roles require more specialised knowledge, employees involved in climate governance, risk management and scenario analysis participated in targeted workshops and refresher training sessions ahead of the annual Climate Risk and Opportunity Register review. These sessions refreshed participants' understanding of climate science, physical and transition risks, and the methodology underpinning NAIF's climate scenario analysis, supporting a consistent approach to the assessment of climate-related risks and opportunities. In addition, the Board received tailored training that included the outcomes of our scenario analysis, covered industry practice and case studies to deepen their knowledge and understanding of climate risk and potential opportunities for NAIF.

Figure 27 outlines NAIF's key documents and policies that guide the broader consideration of climate-related risks and opportunities in its operations. The below should be reviewed alongside NAIF's Corporate Governance and Risk Management chapters of this annual report.

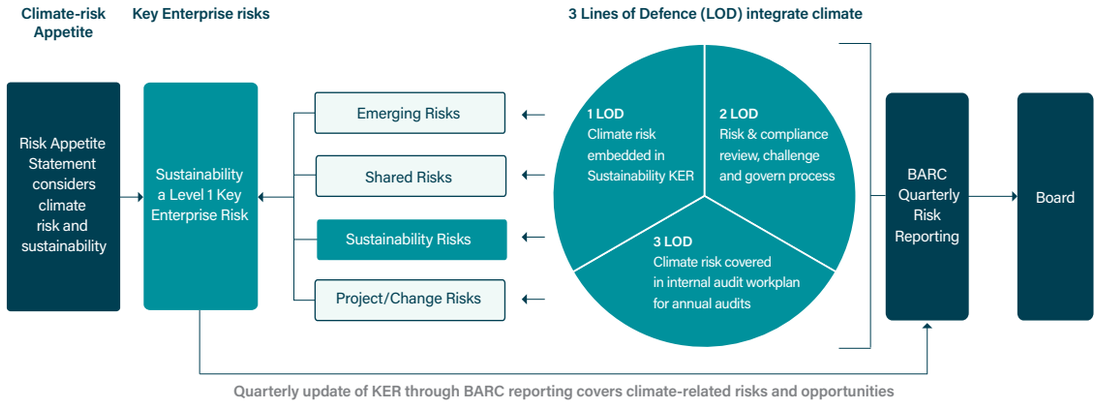
Figure 27: Key Climate Risks and Opportunities Documents and Policies

Document	Description
Investment Mandate	NAIF's Investment Mandate incorporates climate considerations, allowing higher risk tolerance for projects affected by extreme weather, and ensuring resilient infrastructure. Environmental assessments are required to mitigate climate impacts, ensuring compliance and public benefits, such as reduced carbon emissions and enhanced climate resilience, in line with government policies.
Statement of Expectations (SOE)	NAIF's SOE, as issued by its responsible Ministers, reflects the Australian Government's policy priorities, including support for a sustainable and low-emissions economy. The most recent addendum reinforces NAIF's role in enabling the energy transition, particularly through investment in critical minerals and downstream processing, as well as supporting climate resilience, sovereign capability, and emissions reduction objectives.
Statement of Intent (SOI)	NAIF's SOI integrates climate-related considerations into its governance framework, aligning with national sustainability objectives and setting strategic goals for managing climate risks and opportunities
Corporate Plan	The FY26-27 Corporate Plan includes key performance measures and commits to developing a net zero strategy, with targets and monitoring processes (see Metrics and Targets).
Risk Appetite Statement (RAS)	The RAS defines tolerance levels for environmental and social factors, guiding NAIF's operations, project selection and Investment Decisions. The RAS includes two dedicated climate related Key Enterprise Risks: Investment Sustainability and Sustainability & Impact.
Risk Management Framework (RMF)	The RMF outlines NAIF's approach to risk oversight, management, and internal controls, including climate risk.
ESRP Policy	NAIF's ESRP Policy mandates consideration of climate impacts in project assessments. In 2025, the ESRP Policy was updated to ensure due diligence on climate risks, including how projects adapt to these risks or mitigate them, in order to contribute to Australia's emission reduction targets.
Due Diligence Guidance Note	Supplements the ESRP Policy by outlining climate-related considerations during project assessment, including climate risk screening, adaptation measures, and alignment with emission reduction objectives.
Disclosure Log	Publishes information on projects progressing through strategic assessment, including potential funding and estimated likelihood of triggering the Safeguard Mechanism threshold. Supports transparency and responsible investment aligned with climate-related commitments
Sustainability Strategy	Provides a single strategic framework for embedding sustainability across NAIF's governance, operations and investment activities, supported by clear priorities, objectives and performance measures. The Strategy aligns NAIF's sustainability objectives with its Investment Mandate, risk appetite and regulatory obligations, supporting a coordinated and practical approach to managing sustainability-related risks and opportunities while delivering long-term value for Northern Australia.
Emissions Reduction Plan	The ERP outlines NAIF's approach to reducing operational emissions and managing its transition to net zero, including emissions reduction initiatives, performance monitoring and annual reporting against agreed targets.

Strategy and risk management

During the reporting period, NAIF entrenched climate considerations across the RAS and RMF, strengthening the integration into our enterprise risk management and organisational decision-making. In FY25-26, NAIF revised the RAS to articulate NAIF's appetite for climate-related risks and opportunities through two dedicated Key Enterprise Risks (KERs) – Investment Sustainability, which focuses on sustainability risks and opportunities across NAIF's investment portfolio, and Sustainability and Impact, which addresses climate risks and opportunities associated with NAIF's enterprise operations and organisational activities. Together, these risks support the consideration of physical and transition climate impacts, including increased weather variability, the management of netzero transition risks, and the potential for assets to become stranded as new energy technologies are adopted and industries transition to clean energy. This approach is further supported through NAIF's Three Lines of Defence model, embedding climate-related risks within internal audit planning, control testing, and quarterly risk reviews. As part of the FY25-26 audit program, NAIF underwent a Climate Risk and Reporting Internal Audit to provide independent assurance over the design and operating effectiveness of our climate activities. The report identified opportunities for continued improvement as organisational capacity matures, with results finding strong alignment with Commonwealth climate risk management practices such as Commonwealth Risk Management Policy, and the Australian Government's Approach to Climate Risk and Opportunity Management in the Public Sector 2024-2026. An overview of NAIF's risk management approach to climate change is outlined in Figure 28. See the Risk Management section of this Annual Report for further details.

Figure 28: Overview of NAIF's Risk Management approach integrating climate-related risk



Scope, sources and timeframes

Building on the climate risk and opportunity assessment completed in FY24-25, which identified, assessed and prioritised NAIF's material Climate Risks and Opportunities (CR&O), FY25-26 focused on applying climate scenario analysis to those prioritised CR&O to better understand their potential impacts under a range of plausible climate futures (see previous NAIF Annual Reports). The program continues to assess the actual and potential impacts of climate change across our operations and investment portfolio, aligning with the risks and opportunities required in Year 2 of the progressive implementation schedule. This supports the continuous integration of climate considerations into our enterprise risk management and investment processes. The program was designed in alignment with the Climate Risk and Opportunity Management Program (CROMP), which provides guidance for assessing physical and transition risks and opportunities over relevant time horizons and under differing climate scenarios.

Our assessed scope included both NAIF's enterprise operations and its current investment portfolio. To inform this assessment, we drew on a range of internal data sources, including our RMF, incident and insurance registers, strategic planning documents such as the Corporate Plan, and the FY24-25 financed emissions inventory. This was complemented by input from employees across the organisation, whose technical expertise and understanding of our enterprise and portfolio helped identify climate-related risks and opportunities most relevant to our operations and investments. The assessment was further informed by a broad range of external data sources. These included tools developed by the DCCEEW, sector-specific insights from the Australian Climate Service, particularly in relation to infrastructure and remote communities, as well as risk guidance from the UN Environment Programme Finance Initiative covering the mining, metals and industrial sectors. Together, these sources provided the evidence base for our approach.

Scientific sources further supported our work. Scenario considerations were informed by the IPCC Sixth Assessment Report, CSIRO's Pathways to Net Zero Emissions, and physical climate projections from Climate Change in Australia. Transition scenarios were also informed by the Network for Greening Financial Systems (NFGS). To ensure our assessment reflected emerging better practice, we also reviewed climate-related disclosures from peer organisations, including major banks, infrastructure funds and superannuation providers.

Climate-related risks and opportunities were prioritised by applying NAIF's existing RMF and Risk Matrix, assigning inherent impact ratings using established consequence and likelihood criteria together with tailored uncertainty ratings developed to reflect the complexities of climate projections and market transitions. Opportunities were assessed using an inverted methodology of the Risk Matrix to evaluate their potential positive contribution on a comparable basis. These combined ratings produced an overall prioritisation rating, which informed the selection of CR&O for detailed scenario analysis and identified opportunities warranting further strategic engagement or capital focus. This approach ensures climate-related risks and opportunities are prioritised relative to other organisational risks, consistent with NAIF's Risk Appetite Statement and decision-making framework.

Working with an external consultant, NAIF conducted scenario analysis of transition and physical climate risks,

as well as potential opportunities aligned with NAIF's mandate and investment strategy. As part of this process, we categorised the material climate-related risks and opportunities outlined in Figure 27. The material climate-related risks identified through NAIF's assessment fall into two primary categories that have the potential to impact both NAIF's operations and the projects we finance:

- Transition risks, which arise from the shift toward a low-carbon economy. These may result from policy and regulatory change, market shifts, technological disruption, or evolving social and stakeholder expectations.
- Physical risks, which result from climate variability and long-term environmental change. These include acute risks, linked to extreme weather events such as floods, droughts, or cyclones, and chronic risks, associated with gradual changes in climate patterns, such as sustained temperature increases, sea level rises, and altered rainfall patterns.

In addition to these risks, climate change also presents a range of opportunities, including improved resource efficiency, increased resilience across regional supply chains and communities, and access to emerging technologies and markets that support the low-carbon transition.

In assessing these risks and opportunities, NAIF considered short, medium, and long-term time horizons, consistent with the guidance in the CROMP Application Guide, see Figure 29 NAIF time horizons. These timeframes were selected to reflect the nature of NAIF's operating environment, including the duration of our investment commitments, the scale of supported infrastructure, Australia's national net zero target, and the objectives of our Act and Investment Mandate. Applying these time horizons helped determine when risks and opportunities are likely to emerge and informed how we assessed their materiality, financial impact, and relevance to our strategic planning.

Figure 29: NAIF time horizons

Time Horizons

2030 SHORT TERM	2040 MEDIUM TERM	2050 LONG TERM
Aligned with NAIF's 2023-2026 Corporate Plan the provisions of the NAIF Act and the lower range of our loan tenure profile	Reflects the typical loan term (10-15 years) and the average duration of investments within our current portfolio	Represents the upper end of NAIF's investment timeframes (20-30 years), aligns with Australia's national net zero target, and supports consideration of climate resilience across the full lifecycle of financed infrastructure

The scenarios, used in this process are summarised in Figure 30. Consistent with CROMP, physical climate risks were assessed using the Intergovernmental Panel on Climate Change (IPCC) Shared Socioeconomic Pathways (SSPs), representing low (SSP1-2.6), moderate (SSP2-4.5) and high (SSP5-8.5) emissions futures. Transition risks and opportunities were assessed using the NGFS scenarios of Net Zero 2050, Delayed Transition and Current Policies. These scenarios were selected to reflect differing levels of global warming, policy ambition, technology adoption and market behaviour, enabling NAIF to assess how climate-related risks and opportunities may evolve across its enterprise operations and investment portfolio under a range of plausible future climate pathways.[10]

Climate scenario analysis is an exploratory tool used to understand the potential impacts of climate change across multiple plausible futures rather than predict future outcomes. The assessment was undertaken during the FY25-26 reporting period using the best information available, and assumes that NAIF's current portfolio composition, exposure profile and enterprise operations remain broadly consistent across the 2030 and 2050 assessment periods. Loan repayment profiles were also assumed to remain consistent throughout the remaining tenor of each investment, enabling the assessment to focus on the potential effects of changing climate conditions rather than changes to the portfolio itself. The results are specific to the selected climate scenarios and reflect assumptions relating to future emissions trajectories, climate related policy and regulatory settings, macroeconomic and infrastructure investment trends, regional climate conditions across Northern Australia, energy transition pathways and renewable energy uptake, technology adoption and broader market responses. Differences in outcomes between scenarios reflect these underlying assumptions rather than forecasts of future performance. Consistent with the CROMP methodology, physical and transition scenarios share common assessment boundaries and time horizons; however, differences in the underlying climate and economic models, geographic resolution and available datasets mean direct comparability between scenario outputs is not always possible. As with all climate assessments, indicator values represent forward-looking projections and are therefore subject to model uncertainty, parameter assumptions and ongoing methodological refinement. Uncertainty increases over longer time horizons, particularly beyond 2030, as climate system responses intensify and global decarbonisation pathways diverge. Future policy and regulatory settings, technological development and adoption, energy transition pathways and market behaviour become increasingly difficult to predict over time. Accordingly, the assessment provides an indication of potential climate-related impacts under each scenario and is intended to inform strategic planning, corporate planning, enterprise risk management and Investment Decisions. NAIF will continue to refine its methodologies, assumptions and analysis as climate science, data quality, modelling capability and industry practice continue to mature.

[10] The IPCC and NGFS scenarios incorporate assumptions relating to projected physical climate conditions, emissions trajectories, policy and regulatory settings, energy transition pathways and technology development relevant to NAIF's operating environment and investment portfolio. Further information on assumptions can be found on NGFS Scenario Portal, or IPCCs Assessment Report.

Figure 30: NAIF scenarios

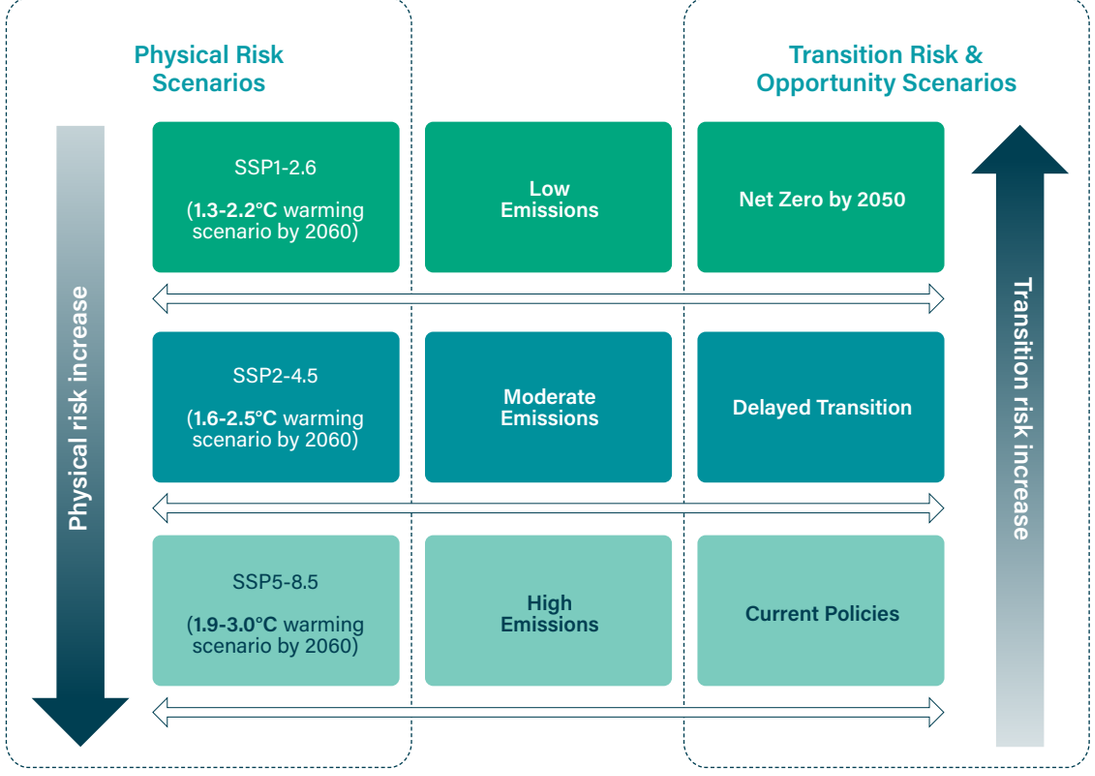


Figure 31: Summary of Key Physical & Transition Risks and Opportunities

VERY HIGH | HIGH | MEDIUM | LOW

Category	Risk	Climate related impact statement	Scenario	Summary of Climate-Related Risks and Opportunities: Risk\Opportunity Type	Value Chain	Time Horizon: Short-Term	Medium-Term	Long-term
PHYSICAL RISK	Flooding	Increased intensity and frequency of flooding disrupting project activities and infrastructure.	LOW EMISSIONS	Acute	Investment			
			HIGH EMISSIONS					
	Extreme Weather (Cyclones)	Increased cyclone intensity damaging project activities and infrastructure, affecting project delivery and loan repayments.	LOW EMISSIONS	Acute	Investment			
			HIGH EMISSIONS					
	Extreme Weather (Cyclones)	Increased cyclone intensity damaging NAIF offices and disrupting business operations.	LOW EMISSIONS	Acute	Enterprise			
			HIGH EMISSIONS					
	Wildfires	Increased intensity of wildfires affect project activities and infrastructure.	LOW EMISSIONS	Acute	Investment			
			HIGH EMISSIONS					
	Extreme Heat	Increased intensity and frequency of extreme heat conditions.	LOW EMISSIONS	Acute	Investment			
			HIGH EMISSIONS					
	Drought and Water Stress	Increased duration of drought and water stress reducing water availability for water intensive industries.	LOW EMISSIONS	Chronic	Investment			
			HIGH EMISSIONS					
TRANSITION RISK	Carbon Pricing	Introduction of carbon pricing increasing costs for NAIF and project proponents.	LOW EMISSIONS	Policy & Legal	Enterprise & Investment			
			HIGH EMISSIONS					
	Safeguard Mechanism	Strengthening of the requirements of the Safeguard Mechanism, resulting in increased costs.	LOW EMISSIONS	Policy & Legal	Investment			
			HIGH EMISSIONS					
	Policy	Policy uncertainty and/or instability, resulting in unsuccessful and/or delayed final investment decisions or investments.	LOW EMISSIONS	Policy & Legal	Enterprise & Investment			
			HIGH EMISSIONS					
	Regulation	Evolving climate regulation increasing compliance and litigation risks.	LOW EMISSIONS	Policy & Legal	Enterprise			
			HIGH EMISSIONS					
	Reputation	Increasing stakeholder expectations for climate action creating reputational and strategic risks.	LOW EMISSIONS	Reputation	Enterprise			
			HIGH EMISSIONS					
	Market	Reduced demand for project outputs affecting project performance and asset value.	LOW EMISSIONS	Market	Enterprise & Investment			
			HIGH EMISSIONS					
	Insurance	Increasing insurance costs and reduced insurance availability affecting NAIF and its investment portfolio.	LOW EMISSIONS	Market	Enterprise & Investment			
			HIGH EMISSIONS					
	Technology	Emerging technologies affecting NAIF and its investment portfolio through increased capital requirements and changes in project value.	LOW EMISSIONS	Technology	Investment			
			HIGH EMISSIONS					
TRANSITION OPPORTUNITY	Energy	Advances in low-emissions technologies improving operational efficiency and emissions reduction opportunities across NAIF and its investment portfolio.	LOW EMISSIONS	Energy Source	Enterprise & Investment			
			HIGH EMISSIONS					
	Resilience	Opportunities may arise for NAIF to finance infrastructure to improve the resilience of existing projects, as well as other assets that exist in the north, to physical climate impacts.	LOW EMISSIONS	Resilience	Investment			
			HIGH EMISSIONS					
	Market	Demand for products produced by projects into which NAIF has invested may increase, providing new financing opportunities for NAIF.	LOW EMISSIONS	Market	Investment			
			HIGH EMISSIONS					

Key findings and forward actions

Our assessment indicates that climate-related risks and opportunities are expected to influence NAIF's operations, investment portfolio and delivery of its Investment Mandate over time. The most material residual climate risks identified through the assessment relate to transition factors, including changes to carbon pricing, the Safeguard Mechanism and increasing insurance costs, which have the potential to affect project viability, proponent repayment capacity and investment outcomes. Physical risks become increasingly material over longer time horizons and under higher emissions scenarios, particularly in relation to infrastructure resilience, project delivery and supply chain disruption. The assessment also identified opportunities associated with emerging energy technologies, resilient infrastructure and increasing demand for transition-enabling projects, supporting regional economic development and the delivery of NAIF's Investment Mandate. The assessment further indicates that climate-related impacts are not evenly distributed across the portfolio, with exposure varying according to project characteristics, geographic location and sensitivity to physical climate hazards and transition-related drivers.[11] Of the climate risks and opportunities assessed, three transition risks and one transition opportunity were identified as the most material and will be prioritised for future quantitative assessment.

These findings have informed NAIF's strategic response, including the development of a project screening tool to support the early identification of physical and transition climate risks during project due diligence. From FY26-27, the screening tool will be progressively integrated into NAIF's Investment Decision governance framework, providing a consistent, risk-based approach to determining where more detailed climate assessment may be required.

The next phase of NAIF's climate risk and opportunity program will focus on expanding quantitative financial impact assessment of material climate risks and opportunities, strengthening portfolio-level climate analysis and integrating the Climate Risk and Opportunity Register into enterprise risk management processes. Together, these initiatives will further embed climate considerations throughout the investment lifecycle, support more informed Investment Decisions and strategic planning, strengthen delivery of NAIF's Investment Mandate and public policy objectives, and continue the progressive implementation of the Commonwealth Climate Disclosure (CCD) Requirements.

Climate related metrics

NAIF has elected not to opt in to the voluntary Cross-Industry Metrics disclosures at this time. Instead, NAIF's climate-related metrics focus on greenhouse gas emissions and financed emissions, reflecting those metrics most relevant to its operations and investment activities. NAIF continues to measure emissions from its operations, in accordance with the Department of Finance's requirements under the APS Net Zero Emissions Reporting Framework. This includes scope 1 and scope 2 emissions, as well as relevant scope 3 emissions.

NAIF's operational emissions (scope 1 and 2) primarily stem from electricity consumption in leased offices. Data from shared services offices is excluded, as it cannot be separated from landlord data. Scope 3 emissions largely arise from business travel necessary to fulfill NAIF's purpose. Additionally, NAIF continues to measure financed emissions from its investment portfolio to better understand these impacts. This initiative will also enable collaboration with the Department of Finance on developing methodologies for estimating financed emissions.

The GHG emissions reported in the following tables represent carbon dioxide emissions (CO2-e) from NAIF operations, including scope 1, 2, and business travel related scope 3 items. Financed emissions are reported separately in Figure 34.

[11] There are limitations to scenario analysis, including climate-related scenario analysis, and it is challenging to predict which, if any, of the scenarios might materialise. Scenario analysis is not a forecast and does not indicate probable outcomes; it relies on assumptions that may or may not prove to be correct or eventuate.

Figure 32: FY25-26 Greenhouse Gas Emissions Inventory– Location-based method

Emission Source	Scope 1 t CO_2-e	Scope 2 t CO_2-e	Scope 3 t CO_2-e	Total t CO_2-e
Domestic Commercial Flights	n/a	n/a	94.81	94.81
Electricity (Location-Based Approach)	n/a	48.20	4.99	53.19
Domestic Travel Accommodation	n/a	n/a	19.68	19.68
Domestic Hire Car	n/a	n/a	0.26	0.26
Natural Gas	0.00	n/a	0.00	0.00
Solid Waste	0.00	n/a	0.00	0.00
Refrigerants	0.00	n/a	n/a	0.00
Fleet and Other Vehicles	0.00	n/a	0.00	0.00
Other Energy	0.00	n/a	0.00	0.00
Total	**0.00**	**48.20**	**119.74**	**167.94**

Scope 1, Scope 2, Scope 3 and Total emissions are presented as tonnes carbon dioxide equivalent (t CO2-e).

Electricity emissions are calculated using the location-based method.

Refrigerants are being phased and are an optional source in 2025-26 emissions reporting. See the Emissions Reporting Framework for more details.

Figure 33: FY25-26 Electricity Greenhouse Gas Emissions

Emission Source	Scope 2 t CO_2-e	Scope 3 t CO_2-e	Total t CO_2-e	Electricity kWh
Location-based electricity emissions	48.2	4.99	53.19	75,813.35
Total renewable electricity	n/a	n/a	n/a	56,796.23
GreenPower	n/a	n/a	n/a	43,688.11
Market-based electricity emissions	15.41	2.1	17.5	19,017.13
Renewable Power Percentage	n/a	n/a	n/a	13,108.13
Jurisdictional Renewable Power	n/a	n/a	n/a	0
Large-scale generation certificates	n/a	n/a	n/a	0

The table above presents emissions related to electricity usage using both the location-based and the market-based accounting methods.

Scope 2, Scope 3 and Total emissions are presented as tonnes carbon dioxide equivalent (t CO2-e). Electricity data is reported in kilowatt hours (kWh).

Total renewable electricity excludes behind-the-meter solar other than generation used to create large-scale generation certificates (LGCs).

The renewable power percentage (RPP) accounts for the portion of electricity used, from the grid, that falls within the Renewable Energy Target (RET).

Jurisdictional Renewable Power refers to the Jurisdictional Renewable Power Percentage (JRPP). Currently, the Australian Capital Territory is the only jurisdiction with a JRPP.

General caveats from emissions reporting

- Solid waste data was not available at the time of the report and amendments to data may be required in future reports.
- Emissions from hire cars for FY25-26 are incomplete due to the lack of available data.
- The quality of data is expected to improve over time as emissions reporting matures.

Action in focus financed emissions

During the reporting period, NAIF measured the financed emissions associated with its portfolio of investments for FY24-25.[12]

NAIF applied the methodologies from Standard A, Financed Emissions, developed by the Partnership for Carbon Accounting Financials (PCAF), ratified by the GHG Protocol. The methodologies and assumptions used in calculating these emissions are detailed in the Basis of Preparation document, which is available upon request.

Under the climate-related disclosure requirements established by the Department of Finance, NAIF must report its financed emissions in the FY26-27 Annual Report. While mandatory reporting is not yet required, the Department of Finance encourages voluntary disclosure where entities are well placed to do so.

NAIF plans to enhance its financed emissions measurement and reporting over time and will collaborate with the Department of Finance to develop consistent reporting methodologies for Commonwealth Entities ahead of mandatory reporting.

Figure 34 presents NAIF's financed emissions calculations by asset class and sector, covering the majority of NAIF's investments by outstanding amount as of 30 June 2025. NAIF has classified its investments into asset classes including business loans and project finance, in accordance with PCAF standards. Financed emissions are disclosed by sector, as defined by NAIF's classification.

The weighted average data quality score for the whole portfolio was 1.79 in FY24-25, showing an improvement in comparison to the prior year (FY23-24: 2.31). This was explained by an increase in data quality reporting from some projects, partly offset by data quality decline in others. NAIF maintains its commitment to improve data quality in future reports.

Overall financed emissions totalled 58,014 tCO_2-e in FY24-25, experiencing a significant decrease in comparison to the previous year (FY23-24: 110,744). This reflects project loans being repaid during the period and a reduction in project emissions as projects transition from construction to operational phases.

Figure 34: FY24-25 NAIF financed emissions inventory

Asset Class	Total outstanding investments covered ($m)	Scope 1 + Scope 2 Emissions (t CO_2-e)	Scope 3 Emissions (t CO_2-e)	Total Financed Emissions (t CO_2-e)	Emissions intensity (t CO_2-e/$m)
Project Finance	1,516.72	33,445	3,163	36,608	24.14
Business Loans	630.02	17,335	4,071	21,406	33.98
Total*	**2,146.74**	**50,780**	**7,233**	**58,014**	**27.02**

Sector	Total outstanding investments covered ($m)	Scope 1 + Scope 2 Emissions (t CO_2-e)	Scope 3 Emissions (t CO_2-e)	Total Financed Emissions (t CO_2-e)	Emissions intensity (t CO_2-e/$m)
Agriculture & Water	71.90	6,776	3,339	10,115	140.68
Energy	718.89	5,791	628	6,419	8.93
Financing Partnerships	-	-	-	-	-
Resources	766.41	22,447	892	23,339	30.45
Social Infrastructure	393.78	1,183	942	2,124	5.39
Transport & Logistics	195.76	14,583	1,433	16,016	81.81
Total	**2,146.74**	**50,780**	**7,233**	**58,014**	**27.02**

[12] Consistent with market practice, financed emissions are reported with a one-year lag to reflect the timing of underlying project emissions data and external reporting cycles.

Climate-related targets

NAIF supports climate-related initiatives designed to facilitate the transition to a low-carbon, climate-resilient economy. In FY25-26, NAIF developed its inaugural Sustainability Strategy and ERP, thereby reinforcing its commitment to emissions reduction. These initiatives incorporate climate-related targets and align the ERP and Sustainability Strategy with NAIF's broader sustainability objectives, with implementation subject to Board endorsement.

NAIF supports climate-related initiatives designed to facilitate the transition to a low-carbon, climate-resilient economy. During FY25-26, the Board approved NAIF's inaugural Sustainability Strategy, establishing the direction for responding to climate-related risks and opportunities across its operations, governance and investment activities. The Strategy is built around three strategic pillars focused on resilience and responsible environmental performance, sustainable finance outcomes, and governance and capability uplift, supported by a multi-year delivery plan which embeds climate-related considerations into enterprise risk management, investment decision-making and organisational operations.

The Sustainability Strategy also established governance arrangements for monitoring implementation through regular reporting against actions, deliverables, targets and performance measures contained within the delivery plan. To support implementation of the Strategy, NAIF developed its inaugural ERP in consultation with Executive Management and relevant business areas. The ERP establishes enterprise emissions reduction targets, metrics and initiatives informed by NAIF's emissions profile, Climate Risk and Opportunity Register, operational activities and the Australian Government's Net Zero 2030 objectives. Progress against both the Sustainability Strategy and ERP is monitored through annual greenhouse gas emissions reporting, updates to the Climate Risk and Opportunity Register, delivery plan reporting and regular reporting to Executive Management, the Board Audit and Risk Committee and the Board. ERP metrics, targets and actions will be progressively incorporated into the broader Sustainability Strategy reporting framework to support ongoing oversight of climate-related risks, opportunities and performance.

NAIF's enterprise

NAIF has embedded sustainability across its operations, governance, and investment strategy, aligning with the Australian Government's Net Zero 2030 Target and broader climate objectives. Figure 35 following summarises NAIF's progress during the year on reducing emissions. NAIF is dedicated to reducing its enterprise emissions through alignment with the APS Net Zero by 2030 Target that currently covers scope 1 and 2 emissions. Additionally, NAIF plans to take steps to reduce scope 3 emissions. The ERP explores initiatives to reduce NAIF's enterprise emissions, such as enhancing energy efficiency in office locations, sourcing 100% renewable energy, reducing and offsetting travel related emissions, and collaborating with suppliers and stakeholders. These initiatives align with the APS Net Zero Emissions Reporting Framework. Further information can be found in the APS Net Zero 2030 Target Factsheet.

NAIF's investment decisions

NAIF Investment Decisions involve providing financial assistance to infrastructure projects in Northern Australia. These decisions have the potential to contribute positively to Australia's net zero targets and support the economy and communities in Northern Australia in adapting to and benefiting from the global transition to a net zero, climate resilient economy.

NAIF is committed to progressively evolve its climate-related investment strategy to demonstrate the Facility's contribution towards Australia's transition to net zero by 2050. This process will include consideration of relevant metrics and targets to support the Government's net zero and climate adaptation priorities and contribute to real economy outcomes.

Figure 35: NAIF's progress in reducing operational emissions

ENERGY

NAIF's only managed office has transitioned to 100% renewable electricity. Since the FY2022-23 baseline, electricity-related emissions have reduced from 32.72 tCO_2-e to 18.95 tCO_2-e, representing a 42.1% reduction against baseline and a 45.2% year-on-year reduction. NAIF will continue to explore opportunities to transition other managed office locations to renewable electricity where available, commercially feasible and aligned with value-for-money considerations.

INFORMATION COMMUNICATION TECHNOLOGY

During the reporting period, NAIF progressed circular economy initiatives by recycling end-of-life ICT equipment, including headsets, and donating surplus laptops and mobile phones to charitable organisations where appropriate. NAIF also procured laptops containing between 50% and 90% recycled materials, with arrangements in place for equipment to be returned to the manufacturer at end-of-life for responsible recycling and resource recovery. NAIF will continue to improve emissions visibility across ICT assets and strengthen asset lifecycle management as its approach to ICT sustainability matures.

PROCUREMENT

During FY25-26 100% of employees completed procurement training incorporating the sustainability principles embedded within NAIF's updated Procurement Policy. Sustainability was also incorporated as a core evaluation criterion in all RFPs during the reporting period, supporting more informed purchasing decisions and encouraging sustainable practices across NAIF's supply chain. NAIF will continue to strengthen the integration of sustainability considerations into procurement activities and supplier engagement.

TRAVEL

Reducing travel-related emissions through carbon offsets and sustainable travel practices remains a key focus area for NAIF. While Scope 3 emissions are not currently required, NAIF has voluntarily offsets emissions associated with official travel. NAIF purchased carbon offsets equivalent to 118 tCO_2-e, supporting its broader sustainability objectives and commitment to reducing the environmental impact of business travel. NAIF will continue to monitor travel-related emissions and explore opportunities to further reduce and offset emissions where practical and cost-effective.

FLEET

Introduced EV option when renting vehicle while traveling, continued to promote salary sacrificing for leased EV private vehicles

PEOPLE

Climate capability continued to be strengthened, with 100% of employees completing climate change training through NAIF's mandatory induction program and dedicated climate-related training delivered to the Board to support oversight of climate-related risks and opportunities. Flexible working arrangements, including up to two remote working days per week, also contributed to reducing commuting-related emissions. As NAIF's sustainability program matures, opportunities will be explored to provide dedicated resourcing to support the Chief Legal and Sustainability Officer in delivering sustainability, climate disclosure and emissions reduction initiatives.

BUILDINGS

Moved Perth office to a building with a higher NABERS rating (previously 4, now 4.5). Plants introduced to Cairns, Sydney and Perth offices contributing to cleaner air and staff wellbeing

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Statement by Board Members, Chief Executive Officer and Chief Financial Officer

In our opinion, the attached financial statements for the year ended 30 June 2026 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*, and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Northern Australia Infrastructure Facility (NAIF) will be able to pay its debts as and when they fall due.

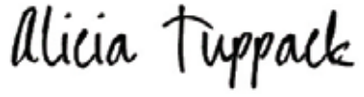
This statement is made in accordance with a resolution of the Board.



Tracey Hayes
CHAIR
22 September 2026



Neil MacDonald
CHIEF EXECUTIVE OFFICER
22 September 2026



Alicia Tuppack
CHIEF FINANCIAL OFFICER
22 September 2026

Australian National Audit Office

INDEPENDENT AUDITOR'S REPORT

To the Minister for Northern Australia

Opinion

In my opinion, the financial statements of the Northern Australia Infrastructure Facility (the Entity) for the year ended 30 June 2026:

(a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and

(b) present fairly the financial position of the Entity as at 30 June 2026 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2026 and for the year then ended:

- Statement by Board Members, Chief Executive Officer and Chief Financial Officer;
- Statement of Profit or Loss and Other Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and their delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Board is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Board is also responsible for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

GPO Box 707, Canberra ACT 2601
38 Sydney Avenue, Forrest ACT 2603
Phone (02) 6203 7300

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Mark Vial
Executive Director

Delegate of the Auditor-General

Canberra

23 September 2026

Statement of Profit or Loss and Other Comprehensive Income

For the period ended 30 June 2026

	Note	2026 $'000	2025 $'000	Original Budget $'000
NET COST OF SERVICES				
Expenses				
Employee benefits	1.1A	**13,371**	12,199	14,854
Suppliers	1.1B	**5,478**	5,761	8,484
Depreciation on right of use assets	2.2A	**700**	522	1,075
Depreciation on plant and equipment	2.2A	**86**	72	101
Finance costs	1.1C	**17**	8	13
Total expenses		**19,653**	18,562	24,527
Own Source Income				
Own source revenue	1.2A	**1,544**	1,640	2,315
NET COST OF SERVICES		**(18,109)**	(16,922)	(22,212)
Revenue from Government	1.2B	**21,987**	21,782	22,212
Total comprehensive income attributable to the Australian Government		**3,878**	4,860	-

* The budget for the 2025-26 financial year shown is the budget presented to Parliament in the 2025-26 Portfolio Budget Statements. Some initiatives in the budget experienced timing adjustments, such as IT implementation, with associated costs now expected to be incurred in the following financial year. As a result, there were timing differences with resourcing and related activities, leading to a delay incurring the cost related to initiative-related expenditure. In addition, NAIF continued to invest in short-term deposits and generated interest income.

Employee costs were lower than budget primarily due to normal staff turnover and recruitment timing differences throughout the year. While recruitment activity continued during the period, vacancies arising from employee departures were not immediately filled, resulting in salary savings. Recruitment for some positions also took longer than anticipated due to challenges in sourcing suitably qualified candidates in a competitive labour market. NAIF remains committed to providing employment opportunities in Northern Australia where possible.

The favourable variance in supplier expenditure reflects a combination of lower consulting costs and procurement efficiencies. A number of planned consulting engagements were deferred pending completion of strategic planning activities associated with digital transformation and organisational review initiatives. NAIF also continued to reduce reliance on external contractors through the recruitment of permanent employees. Additional savings arose from the deferral of treasury management system expenditure and property fit-out costs being incorporated into commercial lease negotiations.

The Right-of-use asset depreciation was lower than budget primarily due to timing differences in the commencement and recognition of leased premises, including instances where control of leased assets transferred later than originally anticipated.

Own source revenue comprises interest income generated from surplus funds held in operational bank accounts and term deposits. Revenue was lower than budget primarily due to lower market interest rates and timing differences in the reinvestment of maturing term deposits during the year, including resourcing changes that temporarily affected treasury management activities.

The above statement should be read in conjunction with the accompanying notes.

Statement of Financial Position

For the period ended 30 June 2026

	Note	2026 $'000	2025 $'000	Original Budget $'000
ASSETS				
Financial assets				
Cash and liquid assets	2.1A	**14,896**	6,098	25,311
Short term investments	2.1B	**20,000**	23,000	-
Other receivables	2.1C	**678**	570	125
Total financial assets		**35,574**	29,668	25,436
Non-financial assets				
Right of use assets	2.2A	**432**	822	1,105
Plant and equipment	2.2A	**358**	327	257
Other non-financial assets	2.2B	**69**	45	119
Total non-financial assets		**858**	1,194	1,481
Total assets		**36,432**	30,862	26,917
LIABILITIES				
Financial liabilities				
Suppliers	2.3A	**3,544**	1,869	2,734
Other payables	2.3B	**451**	359	266
Total payables		**3,995**	2,229	3,000
Interest bearing liabilities				
Lease liabilities	2.4A	**422**	785	1,001
Total interest bearing liabilities		**422**	785	1,001
Provisions				
Other provisions	2.5A	**277**	292	341
Employee provisions	3.1A	**1,989**	1,687	1,565
Total provisions		**2,266**	1,978	1,906
Total liabilities		**6,684**	4,992	5,907
Net assets		**29,748**	25,870	21,010
Equity				
Retained surplus		**29,748**	25,870	21,010
Total equity		**29,748**	25,870	21,010

NAIF's increase in retained surplus for 2025–26 is mainly driven by a higher opening retained surplus, which enabled strategic investment in short-term deposits and generated strong interest income.

The decrease in right-of-use assets is primarily attributable to the depreciation of existing leased assets during the year. The reduction was partially offset by the recognition of the Darwin office lease and associated fit-out works during 2025–26.

Supplier liabilities increased primarily due to delayed payments to Export Finance Australia.

The increase employee provisions is primarily driven by growth in the long service leave liability. During the year, a higher proportion of employees reached or exceeded key service milestones, resulting in greater accrued long service leave entitlements. The liability was also impacted by employees with recognised transferable prior service, which increases the value of accrued long service leave benefits recognised under the accounting standards.

The above statement should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the period ended 30 June 2026

	Retained Surplus		
	2026 $'000	2025 $'000	Original Budget $'000
RETAINED SURPLUS			
Opening balance as at 1 July	**25,870**	21,010	21,010
Comprehensive income			
Surplus for the period	**3,878**	4,860	-
Total comprehensive income	**29,748**	25,870	21,010
Closing balance as at 30 June	**29,748**	25,870	21,010

Budget figures assumed all of the funding for this year would be spent in the 2025-26 financial year.

The above statement should be read in conjunction with the accompanying notes.

Cash Flow Statement

For the period ended 30 June 2026

	2026 $'000	2025 $'000	Original Budget $'000
OPERATING ACTIVITIES			
Cash received			
Receipts from Government	**21,987**	21,782	22,212
Interest	**507**	426	2,315
Total cash received	**22,494**	22,208	24,527
Cash used			
Employees	**12,977**	11,918	14,788
Suppliers	**3,817**	7,019	8,570
Other	**-**	-	13
Total cash used	**16,794**	18,936	23,371
Net cash from operating activities	**5,699**	3,271	1,156
INVESTING ACTIVITIES			
Cash received			
Interest on investments	**921**	1,214	-
Total cash received	**921**	1,214	-
Cash used			
Short term investments	**(3,000)**	23,000	-
Purchase of property, plant and equipment	**117**	74	-
Total cash used	**(2,883)**	23,074	-
Net cash used by investing activities	**3,803**	(21,860)	**-**
FINANCING ACTIVITIES			
Cash used			
Principal payments of lease liabilities	**704**	481	1,070
Total cash used	**704**	481	1,070
Net cash used by financing activities	**(704)**	(481)	(1,070)
Net increase/(decrease) in cash held	**8,799**	(19,070)	86
Cash at beginning of the reporting period	**6,098**	25,167	25,225
Cash at end of the reporting period	**14,896**	6,098	25,311

The $3 million decrease in short-term investments is primarily attributable to short term deposits being budgeted as cash.

The above statement should be read in conjunction with the accompanying notes.

Northern Australia Infrastructure Facility - Overview

For the period ended 30 June 2026

The Northern Australia Infrastructure Facility (NAIF) is a corporate Commonwealth entity financing projects and businesses in the Northern Territory, Queensland and Western Australia. NAIF operates on a not-for-profit basis with the primary purpose to contribute to the Nation by proudly investing in the growth of Northern Australia. NAIF plays a key role in growing Northern Australia with financing to projects driving public benefit, economic and population growth and Indigenous outcomes and participation and accelerating participation in the development of new industry sectors, production processes and technologies.

Basis of preparation

The Financial Statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The financial statements have been prepared in accordance with:

a) Australian Accounting Standards and Interpretations - Simplified Disclosures for Tier 2 Entities issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period; and

b) *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR)*.

The Financial Statements are prepared in Australian dollars and rounded to the nearest thousand dollars ($'000).

The Financial Statements have been prepared on an accrual basis and in accordance with the historical cost convention. No allowance is made for the effects of changing prices on the results or the financial position.

New accounting standards

Consistent with government policy, no accounting standard has been adopted earlier than the application date as stated in the standard. There has been no new standards that have an application date for this financial year that affect the financial statements. New standards not yet effective are not anticipated to have a material impact.

Taxation

NAIF is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

- where the amount of GST incurred is not recoverable as an input tax credit from the Australia Taxation Office (ATO), it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; and
- the net amount of GST recoverable from, or payable to, the Australian Taxation Office (ATO) is included as part of the receivables, payables, or commitments.

Property, plant and equipment

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position, except for:

- items of property with a project cost less than $15,000 (which are expensed in the year of acquisition); and
- items of plant and equipment costing less than $7,500 (which are expensed in the year of acquisition).

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the entity using, in all cases, the straight-line method of depreciation. Depreciation rate (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

The useful lives of major depreciable asset categories are as follows:

Right-of-use assets	Unexpired lease term
Furniture and Fittings	10 years
Equipment	5 years

Overview (continued)

For the period ended 30 June 2026

Leases

Leased Right Of Use (ROU) assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned.

The lease liability is initially measured at the present value of scheduled future lease payments, discounted using the Australian Government's incremental borrowing rate. The ROU asset is initially measured at cost, which is the initial amount of the lease liability increased by initial direct costs, prepaid lease payments and estimated costs to restore, and reduced by lease incentives received.

In other provisions, a make good provision has been provided to allow for the return of the leased space to the original condition at the end of the lease.

The depreciation rates for ROU assets are based on the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

During the period, NAIF leased office space in Cairns, Sydney, Perth and Darwin.

Employee policies

Liabilities for short-term employee benefits expected within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

The liability for employee benefits includes provision for annual leave and long service leave. The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the entity's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the shorthand method, and with management assessments relating to salary growth rates. The estimate of the present value of the liability takes into account an estimate of attrition rates and pay increases through promotions and inflation.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave estimated to be taken in the future by NAIF employees is less than the annual entitlement for sick leave.

NAIF's employees are members of superannuation funds held outside the Australian Government. NAIF makes employer contributions to these funds as per the Superannuation Guarantee Contribution rate. The liability for superannuation recognised as at 30 June 2026 represents outstanding contributions.

Trade and other payables or receivables

Supplier and other payables or receivables are recognised at amortised cost. Liabilities or prepayments are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

Events after the reporting period

No mattters or circumstances have arisen subsequesnt to year-end that would materially affect the report.

Notes to and forming part of the Financial Statements

For the period ended 30 June 2026

Financial Performance

	2026 $'000	2025 $'000
NOTE 1.1 EXPENSES		
1.1A Employee Benefits		
Wages and salaries	**11,729**	10,690
Superannuation defined contribution plans	**1,289**	1,136
Leave and other entitlements	**353**	373
Separation and redundancies	**-**	-
Total employee benefits	**13,371**	12,199

Accounting policies for employee related expenses is contained in the Overview section.

1.1B Suppliers		
Consultants	**1,899**	1,519
Professional fees	**485**	772
Computer and communication costs	**1,237**	1,189
Travel	**684**	798
Property costs	**312**	405
Contractors	**27**	35
Training	**144**	188
Services provided by Export Finance Australia	**286**	337
Advertising and promotional costs	**174**	247
Insurance	**64**	62
Other	**167**	208
Total suppliers	**5,478**	5,761

1.1C Finance costs		
Interest on lease liabilities	**17**	8
Total finance costs	**17**	8

Notes to and forming part of the Financial Statements (continued)

For the period ended 30 June 2026

	2026 $'000	2025 $'000
NOTE 1.2 REVENUE		
1.2A Own source revenue		
Interest	**1,544**	1,640
Total own source revenue	**1,544**	1,640

NAIF uses a Moody's A-rated financial institution to support its operational activities, including the receipt of Government appropriations. Interest is earned monthly on surplus funds at applicable interest rates; however, these rates are subject to change. The current interest rate is 3.85% per annum.

Surplus funds are invested in investment grade term deposits with a range of Moody's A-rated financial institutions for terms of 3, 6 and 9 months. Interest rates during the year ranged from 4.20% to 4.87% per annum.

1.2B Revenue from Government		
Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts		
Corporate Commonwealth entity payment	**21,987**	21,782
Total revenue from Government	**21,987**	21,782

Revenue from Government: Funding received from the Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts (DITRDCSA), is appropriated to NAIF as a Corporate Commonwealth Entity and is recognised as Revenue from Government when NAIF gains control of the funding.

Notes to and forming part of the Financial Statements (continued)

For the period ended 30 June 2026

Financial Position

	2026 $'000	2025 $'000
NOTE 2.1 FINANCIAL ASSETS AT AMORTISED COST		
2.1A Cash		
Cash at bank	**14,896**	6,098
Total cash	**14,896**	6,098

Cash is recognised at its nominal amount, as this is considered to approximate fair value and is available on demand which is readily convertible to cash on hand.

2.1B Investments		
Short term investments	**20,000**	23,000
Total investments	**20,000**	23,000

Investment securities are held in Australian investment grade term deposits across a combination of Moody's A-rated financial institutions. No material impairment existed as at 30 June 2026.

2.1C Other Receivables		
Interest	**456**	340
Goods and services tax	**221**	231
Total other receivables	**678**	570

NOTE 2.2 NON-FINANCIAL ASSETS

2.2A Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Right of Use Assets

	Right of Use Assets	Furniture and Fittings	Office Equipment	Total
	$'000	$'000	$'000	$'000
Gross Value				
Balance as at 30 June 2025	2,695	249	260	**3,204**
Additions	309	26	91	**426**
Remeasurement	-	-	-	**-**
Disposals	-	-	-	**-**
Gross Value as at 30 June 2026	**3,004**	**274**	**351**	**3,630**
Accumulated Depreciation				
Balance as at 30 June 2025	1,873	56	125	**2,054**
Depreciation charged	700	27	60	**786**
Depreciation as at 30 June 2026	**2,573**	**84**	**185**	**2,841**

Notes to and forming part of the Financial Statements (continued)

For the period ended 30 June 2026

NOTE 2.2A CONTINUED

	Right of Use Assets	Furniture and Fittings	Office Equipment	Total
	$'000	$'000	$'000	$'000
Net book value as at 1 July 2025	822	192	135	1,149
Net book value as at 30 June 2026	**432**	**191**	**167**	**789**
Total as at 30 June 2025 represented by				
Gross book value	3,004	274	351	3,630
Accumulated depreciation	2,573	84	185	2,841
Total as at 30 June 2026	**432**	**191**	**167**	**789**

NAIF began a lease agreement for new office premises located in Darwin commencing on 1 July 2025 for a term of 3 years. NAIF recognised a right-of-use asset of $309,160 and a corresponding lease liability of $295,520.

Refer Overview section for accounting policy on property, plant, equipment and leases.

	2026 $'000	2025 $'000
2.2B Other non-financial assets		
Prepayments	**69**	45
Total other non-financial assets	**69**	45

NOTE 2.3 FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

2.3A Suppliers		
Trade creditors and accruals	**3,544**	1,869
Total suppliers	**3,544**	1,869

Supplier payables are recognised at cost to the extent that goods and services have been received, irrespective of whether they have been invoiced. Credit terms for goods and services is usually 30 Days. The increase in supplier payable is primarily due to delayed payments to Export Finance Australia.

2.3B Other Payables		
Salaries and wages	**401**	318
Superannuation	**50**	41
Total other payables	**451**	359

The liability for salaries and wages and superannuation recognised represents outstanding amounts relating to the final fortnight of the financial year.

Notes to and forming part of the Financial Statements (continued)

For the period ended 30 June 2026

NOTE 2.4 INTEREST BEARING LIABILITIES

	2026 $'000	2025 $'000
2.4A Lease liabilities		
Lease liabilities	**422**	785
Total lease liabilities	**422**	785
Future lease payments analysis		
Not later than 1 year	**560**	576
Later than 1 year and not later than 5 years	**1,513**	223
Total lease payments	**2,074**	800

Future lease payments are disclosed based on actual contractual payments rather than the the net present value recognised in the lease liability. NAIF entered into a new lease agreement for office space in 2025-26. The lease commences on 1 July 2026 and has a term of five years. Annual lease payment of $348,570 plus GST are payable in monthly instalments and will increase by 3.75% annually. This has been incorporated into the future lease payments projections.

Total cash outflow for leases for the year ended 30 June 2026 was $704,000 (2025: $481,000).

Refer Overview section for accounting policy on leases.

NOTE 2.5 OTHER PROVISIONS

	2026 $'000	2025 $'000
2.5A Other provisions		
Provision for restoration	**277**	292
Total other provisions	**277**	292

The decrease in provision is primarily driven by restoration costs associated with one leased property, partially offset by the recognition of a make good provision in relation to a new lease.

Notes to and forming part of the Financial Statements (continued)

For the period ended 30 June 2026

People and Relationships

	2026 $'000	2025 $'000
3.1A Employee Provisions		
Leave	**1,989**	1,687
Other	**-**	-
Total employee provisions	**1,989**	1,687

Leave

The employee provisions includes provision for annual leave and long service leave. Leave liabilities are calculated based on employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the applicable employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination. Long service leave is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date and is discounted using appropriate market yields at the reporting date. The estimate of the present value of the liability takes into account expected attrition rate and pay increases arising from promotion and inflation.

3.2 Key Management Personnel Remuneration

Key management personnel are those persons who have the authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. The entity has determined that its key management personnel comprise the Chief Executive Officer, Board members, Chief Investment Officer, Chief Risk Officer, Chief Operating Officer, Chief Strategic Policy and Engagement Officer and Chief Legal and Sustainability Officer.

Key management personnel remuneration is disclosed below.

	2026 $'000	2025 $'000
Short-term employee benefits	**2,890,024**	2,903,473
Post-employment benefits	**300,748**	300,047
Other Long-term employment benefits	**55,614**	56,569
Termination benefits		-
Total key management personnel remuneration expenses	**3,246,386**	3,260,089
Total number of key management personnel that are included in the above table are:	14	14

The number of key management personnel positions at 30 June 2026 are 14, comprising the Chief Executive Officer, seven Board Members, Chief Investment Officer, Chief Investment Risk Officer, Chief Operating Officer, Chief Strategic Policy and Engagement Officer, and Chief Legal and Sustainability Officer. The numbers of individuals holding these positions may vary throughout the year due to personnel changes, including departures and new appointments.

Short-term employee benefits include salaries, annual leave, allowances and other employee benefits. Post-employment benefits relate to superannuation contribution. Other long-term benefits principally relate to long service leave entitlements.

The Board and CEO remuneration and other benefits are set by the Remuneration Tribunal.

Notes to and forming part of the Financial Statements (continued)

For the period ended 30 June 2026

3.3 Related Party Relationships

NAIF is an Australian Government Corporate Commonwealth entity. Related parties of the entity include the key management personnel, as defined above, and other Australian Government entities.

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens.

Significant transactions with related parties may include the provision of corporate and administration services to NAIF, insurance services, leases arrangements and the purchases of goods and services.

Where a NAIF Board member has an actual, apparent or potential conflict of interest in relation to a potential investment decision, that member does not receive papers or participate in discussion relating to the transaction. A conflicts of interest register is maintained to record Board members' disclosed interests. Minutes from Board meetings record recusals as and when they occur.

NAIF is supported through an SLA with Export Finance Australia allowing access to resources across ITC and Payroll functions. The SLA arrangement ensures an efficient use of existing Commonwealth resources, reducing the duplication of resourcing requirements across government entities. The SLA allowed NAIF to transition from its start-up phase to operational phase more effectively and faster than it would have otherwise.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by the entity, it has been determined that there are no other material related party transactions to be separately disclosed.

Notes to and forming part of the Financial Statements (continued)

For the period ended 30 June 2026

	2026 $'000	2025 $'000
NOTE 4: REMUNERATION OF EXTERNAL AUDITORS		
An audit or review of the annual report	**50**	55
Total audit remuneration	**50**	55

Northern Australia Infrastructure Facility's auditor is the Australian National Audit Office (ANAO).

Notes to and forming part of the Financial Statements (continued)

For the period ended 30 June 2026

Other Information

	2026 $'000	2025 $'000
NOTE 5: CURRENT/NON-CURRENT DISTINCTION FOR ASSETS AND LIABILITIES		
Assets expected to be recovered in:		
No more than 12 months		
Cash and liquid assets	**14,896**	6,098
Short term investments	**20,000**	23,000
Interest receivable	**456**	340
Other receivables	**221**	231
Right of use assets	**-**	596
Plant and equipment	**-**	77
Other non-financial assets	**69**	45
Total no more than 12 months	**35,642**	30,386
More than 12 months		
Right of use assets	**432**	226
Plant and equipment	**358**	250
Total more than 12 months	**789**	476
Total assets	**36,432**	30,862
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	**3,544**	1,869
Other payables	**451**	359
Lease liabilities	**250**	567
Employee provisions	**750**	704
Total no more than 12 months	**4,996**	3,499
More than 12 months		
Lease liabilities	**172**	218
Employee provisions	**1,239**	983
Other provisions	**277**	292
Total more than 12 months	**1,688**	1,493
Total liabilities	**6,684**	4,992
Total aggregated assets and liabilities	**29,748**	25,870

Index of Statutory Reporting Requirements

The Board of NAIF is obligated under section 46 of PGPA Act to prepare an annual report and section 17BE(u) of the PGPA Rule sets out the mandatory content requirements.

Part A – Public Governance, Performance and Accountability Act 2013

Section	Subject	Location within Report	Page
Public Governance, Performance and Accountability Rule Sec 17BE			
s 17BE(a)	Details of the legislation establishing the body.	Corporate Governance	40
s.17BE(b)(i)	A summary of the objects and functions of the entity as set out in legislation.	Annual Performance Statement	32
s17BE(b)(ii)	The purposes of the entity as included in the entity's corporate plan for the reporting period.	Annual Performance Statement	32
s.17BE(c) – (f)	The annual report must provide details of:	Corporate Governance	
	• The name and title of the responsible Ministers of NAIF.	- Accountability	40
	• Any directions given by the responsible Minister.	- Not applicable	
	• Any policy orders that applied to NAIF; and	- Not applicable	
	• Details of any non-compliance with the above.	- Not applicable	
s.17BE(g)	The annual report must include NAIF's Annual Performance Statements.	Annual Performance Statement	32
s.17BE(h) – (i)	The annual report must detail any significant issues reported to the Minister.	Corporate Governance - Legislative Reporting	N/A
s.17BE(j)	The annual report must detail particulars of the Board.	Board - Board Profiles and Photos	50
s.17BE(k) – (l)	The annual report must detail particulars of NAIF's organisational structure and outline the location of the NAIF's major activities or facilities.	People - Organisational structure and location	60 60
	Statistics on NAIF's employees including the following: • Full-time employees; • Part-time employees; • Gender; and • Staff location.	- Workforce demographics	62

Section	Subject	Location within Report	Page
s.17BE(m)	The annual report must outline the main corporate governance practices of NAIF.	Corporate Governance	40
s.17BE(q) – (s)	The annual report must detail any judicial and administrative decisions or reviews or reports having a significant effect on NAIF.	Corporate Governance - Corporate Reporting	42
s.17BE(t)	The annual report must detail any indemnity applied during the financial year.	Corporate Governance - Corporate Reporting	42
s. 17BE(taa)	The following information about NAIF's audit committee (BARC):		
	(a) Reference to the BARC charter;	Corporate Governance	40
	(b) Name of each member of the BARC;	Board	48
	(c) Qualifications of each member of the BARC;	Board	50
	(d) Information about each member's attendance at BARC meetings; and	Board	48
	(e) Remuneration of each member of the BARC.	People	67
s.17BE(ta)	Information about executive remuneration.	People	64

Part B – Other legislation

Section	Subject	Location within Report	Page
Northern Australia Infrastructure Facility Act 2016			
s. 42	NAIF's annual report must include:	Corporate Governance	
	(a) Particulars of any changes to the Investment Mandate during the period and their impact on the operations of the Facility;	- Legislative Reporting	42
	(b) A summary of the proposal notices given by the Facility to the Minister during the period;		42
	(c) A summary of any rejection notices given by the Minister during the period and the Minister's reasons for giving the notices;		42
	(d) For financial assistance provided by the Facility during the period, a summary of:		43
	(i) the amounts of financial assistance and kinds of Northern Australia economic infrastructure concerned;		
	(ii) the forms in which financial assistance was provided and their important features; and		
	(iii) the risks and returns to the Commonwealth.		
	(e) A summary of any adjustments or concessions made by the Facility during the period in relation to the Northern Australia economic infrastructure projects that have not progressed as planned.		43
Environment Protection and Biodiversity Conservation Act 1999			
s.516A (3)(6)	Ecologically sustainable development and environmental performance.	Corporate Governance - Environmental Reporting	44
Work Health and Safety Act 2011			
Sch2, Pt 4, Clause 4(2)	Work health and safety initiatives, outcomes, statistics and investigations.	People - Work, Health and Safety	64

Part C – Other disclosure

Section	Subject	Location within Report	Page
	Commonwealth Climate disclosure	Climate Disclosure	70

Abbreviations and Acronyms

Abbreviation / Acronyms	Description
ASFI	Australian Sustainable Finance Institute
BARC	Board Audit and Risk Committee
CEO	Chief Executive Officer
CO_2-e	Carbon Dioxide Emissions
CROMP	Climate Risk and Opportunity Management Program
E&S	Environmental and Social
EFA	Export Finance Australia
EMG	Executive Management Group
EPBC Act	Environment Protection and Biodiversity Conservation Act 1999 (Cth)
ESD	Ecologically Sustainable Development
ESG	Environmental, Social and Governance
ESR Policy	Environmental and Social Review of Projects Policy
FAR	Fixed Annual Remuneration
FC	Financial Close
FTE	Full Time Equivalent
FY	Financial Year
GHG	Greenhouse Gas
ICT	Information & Communications Technology
ID	Investment Decision (to offer finance)
IES	Indigenous Engagement Strategy
Investment Mandate	Northern Australia Infrastructure Facility Investment Mandate Direction 2023
IRG	Investment Review Group
KER	Key Enterprise Risks
KMP	Key Management Personnel
MOU	Memorandum of Understanding
NAIF Act	Northern Australia Infrastructure Facility Act 2016
NAP	National Adaption Plan
NGER	National Greenhouse and Energy Reporting
PBS	Portfolio Budget Statement
PGPA Act	Public Governance, Performance and Accountability Act 2013
PMG	Portfolio Management Group
PRemCo	People & Remuneration Committee
RAS	Risk Appetite Statement
RDA	Regional Development Australia
RMAC	Risk Management and Compliance
SIV	Specialist Investment Vehicle
SLA	Service Level Agreement
STI	Short Term Incentive
TNFD	Taskforce on Nature-related Financial Disclosures
WHS Act	Work Health and Safety Act 2011
WHS	Work, Health and Safety



CHARLES DARWIN UNIVERSITY
Northern Australia



PILBARA REGION
Western Australia

Australian Government

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www.transparency.gov.au