

‘Substantially involved’ - Queensland government and Adani’s NAIF loan

New submissions to the Senate NAIF Inquiry reveal the State government will be “substantially involved” in any loan to Adani via the Northern Australia Infrastructure Facility, contradicting repeated claims by Queensland Ministers and spokespeople.

Queensland government will be “substantially involved” in any loan to Adani under the Northern Australia Infrastructure Facility (NAIF), as outlined by the Department that helped design the NAIF, in its submission to the Senate NAIF inquiry.

This account has been confirmed by the Queensland government’s own submission, which notes that Queensland’s “roles and responsibilities... through the assessment and approval process” includes a cross-government “Queensland NAIF Panel [that] has been formed to consider each Investment Proposal.”

These submissions conflict with repeated claims from Queensland Ministers and Queensland government spokespeople portraying the NAIF as an entirely federal process, which has obscured the Queensland government’s role in providing a taxpayer funded concessional NAIF loan to Adani.

The [submission to the NAIF Inquiry from the Department of Industry, Innovation and Science \(DIIS\)](#) (submission 41), which designed the NAIF, makes clear that Queensland’s involvement goes far beyond the veto power in the NAIF Mandate. It includes being

- “substantially involved in the negotiation of the provision (and terms and conditions) of financial assistance”;
- becoming “signatory to finance agreements with project proponents and have substantial involvement in their negotiation and management;”
- and ultimately being the party that “will provide financial assistance to eligible project proponents”.

Similarly, the [submission from the Queensland Government](#) (submission 46) explains

“The Queensland Government remains ready to facilitate Queensland-based NAIF projects ...

[NAIF and Qld have developed] formal protocols which are intended to outline the roles and responsibilities of the NAIF and the State through the NAIF application and approval process. ...

To manage the State’s assessment, a Queensland NAIF Panel has been formed to consider each Investment Proposal. The Panel comprises members from Queensland Treasury, the Department of the Premier and Cabinet, Department of Infrastructure, Local Government and Planning, Department of State Development and Department of Aboriginal and Torres Strait Islander Partnerships. Consultation will also occur with any other State Government agency that is relevant to the proposal.

Both of these submissions explain that this “substantial involvement” includes the option for the Commonwealth to pay the proponent directly, on the State’s behalf, and that this does not alter the State’s financial or legal responsibility.

These submissions elaborate on a comment in a [Queensland Treasury guidance document](#), last updated in May:

Constitutionally, the Commonwealth is unable to provide financial assistance directly to proponents within a restricted geographic area.

As such, Queensland is required to undertake an intermediary role in the provision of financial assistance from the Commonwealth to proponents and will maintain a substantial involvement in the scheme.

The State will have the final discretion on whether or not it will enter into a loan or other financial agreement with a proponent.

In short, whether and under what terms to give NAIF funds to Adani will ultimately be a decision for Queensland government, and such a decision would ensure that Queensland taxpayers, like all Australian taxpayers, will be funding Adani.

This contradicts numerous statements by Queensland Ministers and representatives:

NAIF is a federal government body, established under federal government legislation, operating under federal government mandate, and responsible to federal government ministers.

- [Queensland government spokesperson](#) earlier this week.

[NAIF] is between the federal government and (Adani) but the state will not impede that process.

- [Queensland Minister for Mines Dr Lynham](#) in May.

We will not stand in the way of those arrangements

- [Treasurer Pitt](#) in May.

We promised that Queensland taxpayer funds would not subsidise the Carmichael rail line and we are keeping that promise

- [Treasurer Pitt](#) in May.

ultimately committing to the project will be a decision for Adani

- [Premier Palaszczuk](#) in April.

At the end of the day, it's a commercial decision for Adani to make

- a [Queensland government spokesperson](#) in January.

We also promised the Queensland Government, on behalf of taxpayers, would not fund project infrastructure.

- [Premier Palaszczuk](#) in December

It needs to stack up financially. It needs to be commercially viable and the market should decide that.

- [Opposition Leader Palaszczuk](#) on the eve of the election

Contrary to those claims, Queensland will be actively involved in NAIF project assessment and negotiations, becoming financially and legally responsible for provision, terms and conditions of any loans to Adani for its coal rail line.

The Queensland government is [also offering another subsidised loan](#), in the form of a royalty deferment scheme. Based on media reports The Australia Institute has calculated that could result in a loan of \$370-725 million, but the true terms of the deal, including the extent of any concession, are being kept secret.

The royalty deal was made under a “transparent” policy framework, developed in a hurry to provide the Adani deal. [Requests under Right to Information for that framework](#) provided 2000 pages of correspondence, almost all of it redacted.

The Queensland government continues to deny that a concessional loan is a subsidy.