



Ministerial Submission

MS25-000559

FOR INFORMATION - National Reconstruction Fund

TO: Minister for Industry and Innovation; Minister for Science

KEY POINTS

- This brief provides materials to support a discussion with you on delivery of the National Reconstruction Fund and the Economic Resilience Program, scheduled for 22 May 2025.
- Your portfolio responsibilities for industry and manufacturing policy, and science and technology matters, provide the opportunity to strengthen the delivery of the National Reconstruction Fund. This also includes the development and delivery of the Economic Resilience Program under the National Reconstruction Fund.
- Slides to support the discussion are at Attachment A. They include:
 - an overview of your role as Minister, DIR's role and the NRFC's role
 - current issues, early decisions and opportunities
 - design and implementation planning for the Economic Resilience Program
 - background materials.
- In this discussion, we will seek direction on next steps. This includes:
 - issuing a Statement of Expectations, jointly with the Minister for Finance, to the NRFC to provide a strengthened explanation of Government policy intent
 - s47C

Clearance Officer

Jocelyn Cooper

A/g Head of Division, Sovereign Capability and Supply Chains

21 May 2025

Contact Officer

Jasminder Higgins

General Manager, NRF Policy and FMA

Liaison

s22

ATTACHMENTS

A: NRF slide deck



Australian Government
Department of Industry,
Science and Resources

National Reconstruction Fund

22nd May 2025

Our purpose is to help the government build a better future for all Australians through enabling a productive, resilient and sustainable economy, enriched by science and technology.

| industry.gov.au

Key takeaways:

1. Minor modifications can amplify impact (e.g issue a Statement of Expectations)
2. Early opportunities to embed success
3. Economic Resilience Program: supporting business growth and resilience in an unpredictable world

Your role

- You and the Minister for Finance are jointly responsible for the NRFC, incl. Board appointments
- As responsible policy Minister, you have additional responsibilities, including:
 - regular meetings with the NRFC Board Chair and CEO
 - authorising NRFC Special Account drawdown requests
 - working with the NRFC on investment announcements

Department's role

- DISR has policy ownership and responsibility for the NRF's legislative frameworks
- We will be your primary support and will advise you on:
 - Legislative changes; special account drawdown requests; Board appointment processes
 - Meeting briefs; talking points and media releases for announcements
- DISR works closely with the NRFC to support your role and help the NRFC in its establishment and growth phase

NRFC's role

- NRFC will deliver on its remit to invest in priority areas of the economy
- Will engage with you primarily on:
 - investment announcement opportunities
 - Significant decisions taken by the Board
 - Feedback on skills needs for Board vacancies
 - Updates on its pipeline and engagement with industry

Amplifying Impact

Market commentary and insights relate to:

- Conservative interpretation of framework
- Early-stage investments
- Navigating the constitution

Statement of Expectations can help address and clarify some of these issues.

Early opportunities

- **Announcement of NRFC investments** are an opportunity for you to promote the work of the NRFC and meet with industry
- NRFC will write requesting a **drawdown from the Special Account** for investments
- **ANAO Audit** is being finalised to assess the effectiveness of the design and establishment of the NRFC
- **Upcoming Statutory Review** is an opportunity to consider broader changes to *NRFC Act*
- **Board vacancies** next year
- **Publishing Co-investment Plans** can help define opportunities in priority areas

Background

National Reconstruction Fund

Background - NRFC Legislative framework

National Reconstruction Fund Corporation Act 2023	National Reconstruction Fund Corporation (Investment Mandate) Direction 2023	National Reconstruction Fund Corporation (Priority Areas) Declaration 2023
• Sets out the Corporation's purpose and functions • Establishes arrangements for the Board, Chief Executive Officer and staff • Set out Special Account matters, including drawdown	• Sets out clear expectations for the NRFC • a benchmark rate of return and risk • directions to operate on a commercial and self-sufficient basis • The NRFC Investment Mandate is a legislative instrument, which is not subject to disallowance	The Declaration declares the following as priority areas of the Australian economy: • renewables and low emission technologies • medical science • transport • value-add in the agriculture, forestry and fisheries • value-add in resources • defence capability • enabling capabilities The NRFC Declaration is a legislative instrument, which is subject to disallowance. Further information on the Declaration can be found in the Explanatory Statement .

National Reconstruction Fund

Background

Audit	Special Account	NRFC operations
• ANAO has undertaken a Performance Audit on the Design and Establishment of the NRFC, covering the roles of three entities: the department, the NRFC and the Department of Finance (DoF) • The report is due to be tabled in Parliament in June 2025	• \$5 billion was paid to the NRFC Special Account on establishment • The NRFC Act requires the remaining \$10 billion to be paid by 1 July 2029	• Expected average staffing level is 58 in 2024-25 and 81 in 2025-26, growing in line with its investment activity • NRFC has an annual appropriation this FY (2024-25) of \$18m, which is the last year the NRFC will receive an appropriation

National Reconstruction Fund

Background

NRFC Investments to date

Announcement date	Company	Amount	Type	Priority area
19 Nov 2024	Resource Capital Funds (RCF)	\$100 million	Investment Partnership	Value-add in resources
19 Nov 2024	Russell Mineral Equipment	\$40 million	Private equity partnership with RCF	Value-add in resources
10 Dec 2024	Quantum Brilliance	\$13 million	Equity investment	Enabling capabilities
19 Dec 2024	Myriota	\$25 million	Equity investment	Enabling capabilities
20 Dec 2024	Vault Cloud	\$22.5 million	Equity investment	Enabling capabilities and Defence capability
15 Jan 2025	Arafura Rare Earths	\$200 million	Convertible notes	Value-add in resources
29 Jan 2025	Harrison.ai	\$32 million	Equity investment	Medical Science and Enabling capabilities
31 Apr 2025	QuintessenceLabs	\$15 million	Equity investment	Enabling Capabilities
TBC	[Name withheld]	\$27 million	Equity investment	Medical Science



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- Slides to support the discussion are at Attachment A. They include:
 - An overview of your role as Minister, DIR's role and the NRFC's role.
 - Current issues, early decisions and early opportunities.
 - Design and implementation planning for the Economic Resilience Program.
- 21 May 2025. Attendees from the department include Julia Pickworth (Deputy Secretary - Industry & Commercialisation Group Executive), Jocelyn Cooper (A/g Head of Division for Sovereign Capability & Supply Chains) and Jasminde Higgins (General Manager – NRF Policy & FMA Liaison Branch)
- Please use Calibri, Font Size 12, Black.

General Guidance

- All Ministerial Submissions must be Cleared in PDMS.
- Please thoroughly proof-read prior to submitting to the Ministers' Office using the Quality Assurance Checklist on iCentral as a guide.
- For guidance on the Ministerial Submission process, please refer to the [Parliamentary – Engaging with ministers](#) page.

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CONSULTATION

[Insert details of other Divisions and/or Agencies consulted with in the preparation of the Submission]

ATTACHMENTS

- A: [Title of attachment]
- B: [Title of attachment]
- C: [Title of attachment]