



Independent review of the operation of the National Reconstruction Fund Corporation Act 2023

Terms of reference

Context

The National Reconstruction Fund Corporation (NRFC) was established on 18 September 2023 by the [National Reconstruction Fund Corporation Act 2023](#) (NRFC Act). The NRFC is a corporate Commonwealth entity for the purpose of the [Public Governance, Performance and Accountability Act 2013](#) (PGPA Act).

The NRFC Act sets out the National Reconstruction Fund Corporation's (NRFC) purpose and functions and establishes arrangements for a board, chief executive officer and staff.

In accordance with section 91 of the NRFC Act, the minister must arrange for periodic reviews of the operation of the Act. The first review must be completed by 31 December 2026. Reviews must make provision for public consultation and include a written report. The nominated minister is the Minister for Industry and Innovation (Section 86 of the NRFC Act).

The intention of the review is to ensure transparency and accountability, and to maintain the effectiveness of the NRFC.

Matters to be considered by the statutory review

The final written report should contain recommendations on any priority actions in respect of issues identified in the review.

Without limiting the matters to be covered by the review of the NRFC Act, the review should consider:

- The effectiveness of the NRFC Act in:
 - achieving its stated objective of establishing the NRFC
 - facilitating increased flows of finance into priority areas of the Australian economy
 - the ease of administration
- Whether the terms of the Act are effective in enabling the NRFC's board to perform its functions as outlined in section 17 of the NRFC Act.
- The effectiveness of the NRFC Act in enabling the NRFC to:

- a. make information publicly available to meet community expectations around transparency and the ease of use and accuracy of this information, excluding any commercial-in-confidence advice
 - b. contribute to and maintain community confidence that appropriate frameworks and oversight is in place to ensure Australian taxpayer money is being appropriately used
 - c. efficiently and effectively engage and support businesses with their applications to the NRFC and their subsequent consideration by the NRFC
 - d. efficiently and effectively achieve the NRF's objectives of diversifying and transforming Australia's industry and economy
 - e. attract additional private sector finance or investments into the priority areas of the Australian economy without crowding-out private sector financing
 - f. implement the statement of expectations
- The results of public consultation undertaken pursuant to subsection 91(2) of the NRFC Act for the independent review.

Out of scope

The following matters are out of scope for the review:

- changes to the Act made while the review is being undertaken
- *National Reconstruction Fund Corporation (Investment Mandate) Direction 2026* and *National Reconstruction Fund Corporation (Priority Areas) Declaration 2026*, including changes made to enact the Economic Resilience Program, Net Zero Fund and Forestry Growth Fund

Guiding principles

The review should be credible, impartial and constructive and those responsible for conducting the review will be guided by the following principles:

Independence: maintaining freedom from political or institutional bias; avoiding conflicts of interest and disclosure of any potential influences.

Integrity: acting with honesty, transparency, and ethical responsibility; upholding the public interest above personal or organisational gain.

Objectivity: basing findings on evidence and analysis, not assumptions or advocacy; considering multiple perspectives, especially from affected stakeholders.

Fairness: ensuring all voices are heard, especially underrepresented or marginalised groups; applying consistent standards across all aspects of the review.

Respectfulness: engaging with stakeholders in a culturally sensitive and inclusive manner; acknowledging the lived experiences of First Nations Australians and other communities.

Transparency: clearly communicating the review process, criteria and rationale for conclusions; making findings accessible and understandable to the public.

Accountability: accepting responsibility for the quality and impact of the review; providing clear documentation and justification for recommendations.

Curiosity and open-mindedness: willing to challenge assumptions and explore new evidence or viewpoints; open to learning from diverse disciplines and sectors.

Analytical rigor: applying critical thinking and structured analysis to assess legislative effectiveness; using both qualitative and quantitative methods where appropriate.

Commitment to improvement: focusing on constructive outcomes that enhance the legislation's impact and relevance; seeking to leave a legacy of better governance and policy design.

Methodology

An independent reviewer will be appointed to conduct the review, selected for their expertise in investment, public policy and industry, to enable them to make assessments based on a thorough understanding of the economic challenges in growing Australian industry.

The independent reviewer will undertake stakeholder consultation for the review and prepare the final report.

The independent reviewer will be supported by a secretariat provided by the Department of Industry, Science and Resources (DISR).

Timing

The review is to be finalised and a written report on the review, which should include recommendations for the consideration of government, must be provided to the Minister for Industry and Innovation by 31 December 2026 (subsection 91(5) of the Act). The nominated Minister must cause copies of the review to be tabled in each House of the Parliament within 15 sitting days of the that House after the review is completed (subsections 91(5) and 91(7)).

Background to the NRFC Act

Purpose and functions

The NRFC was established to diversify and transform Australia's industry and economy to secure future prosperity and drive sustainable economic growth.

The NRFC's investment function, as described in the NRFC Act, is to provide finance in the form of debt, equity and guarantees for the projects in the priority areas of the Australian economy.

Responsible ministers

The Minister for Industry and Innovation and the Minister for Finance are the responsible ministers under the NRFC Act. The responsible ministers appoint members of the NRFC Board and issue directions about the performance of the NRFC's investment functions and/or the exercise of the NRFC's investments powers.