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News

NAIF considers toll roads, power projects in far north

Mark Ludlow

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The federal government's \$5 billion Northern Australia Infrastructure Facility is considering funding toll roads and energy projects in the Far North, but it is remaining coy about whether it will help bankroll a new coal-fired power station.

The NAIF - which is set to announce its first funding by September - has whittled 124 expressions of interest to five projects which are under due diligence, including a rail link to Indian company Adani's \$16.5 billion Carmichael coal mine in Central Queensland and Genex Power's \$823 million Kidston pumped hydro and solar project in North Queensland.

While the Turnbull government has left open the possibility of using taxpayer money to fund a new high-efficiency, low-emissions coal-fired power plant, it is understood no coal-fired power station has made it through to the shortlist.

NAIF chief executive Laurie Walker said energy and transport projects were being actively pursued by the board.

These included possible toll roads in the Far North, which would allow proponents to earn a commercial return on the project and, in theory, pay back the Commonwealth government.

"We think there will be a key priority for roads that we can look at where key users will be prepared to pay charges to have those roads

prioritised," Ms Walker told a Committee for the Economic Development of Australia lunch in Brisbane yesterday.

"We are looking at that and we have equity and debt investors looking to work with us to make that happen."

While there have been ongoing concerns about NAIF funding "white elephant" projects in regional Australia, Ms Walker, a former banker with ANZ and CBA, said NAIF was a "gap financier" which would help projects proposed by the private sector or a state government to get off the ground.

"We can partner with the public sector but we have an ultimate aim to crowd-in the private sector and encourage the private sector to finance projects in the north, which to date there has not been as much funding as there needs to be."

Genex Power's Kidston project, which is planning to use an abandoned gold mine west of Townsville to become Australia's third-largest pumped hydro electricity scheme, announced to the Australian Stock Exchange it was now undertaking due diligence with the NAIF.

Genex has already received \$4 million from the Australian Renewable Energy Agency. It is seeking another \$200 million to \$300 million for the 270 megawatt solar and 250 megawatt pumped hydro project.