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News

NAIF's \$516m backing

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5

GENEX Power expects to receive a Northern Australia Infrastructure Facility loan of up to \$516 million by Christmas.

The Kidston Stage 2 solar farm is the first North Queensland project to receive an indication of support from the federal infrastructure fund.

The money is conditional on Genex Power negotiating offtake arrangements and grid connection for energy and dispatch rights, providing a cost-benefit analysis, securing the balance of equity funding, due diligence and final NAIF approval.

Genex Power executive director Simon Kidston said the money was "a critical part of the funding mix".

"We expect to finalise funding before Christmas with construction starting next year," he said.

But shortly after the announcement to the Australian Securities Exchange yesterday, resource and Northern Australia opposition spokesman Jason Clare slammed the Federal Government over a broken promise to deliver up to \$1 billion in NAIF infrastructure funding by June 30.

"Given they have only allocated \$3 million in three years, there is no chance they are going to allocate between \$300 million to \$1 billion in the next 10 days," he said.

"In three years, Turnbull has only announced three projects and delivered \$3 million out of a \$5 billion fund." NAIF chief executive Laurie Walker said the fund's support would assist Genex to "advance its discussions with other project counterparties" and to shore up the project.

"This is a demonstration of how NAIF can work with stakeholders to help them understand how its concessional financing can support the development of a project which has the potential to provide substantial benefits to Northern Australia," Ms Walker said.

"NAIF sees the project as important for the transition of the market to lower emission renewable energy sources, and the board's preparedness to consider a capital commitment of the size referred to in this announcement reflects the alignment of this type of project with NAIF's objective to contribute to the transformation of Northern Australia through infrastructure development."