

NT government downplays Sun Cable's voluntary administration as list of troubled major projects grows

By [Jacqueline Breen](#) and [Alicia Perera](#)

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Acting Chief Minister Nicole Manison says Sun Cable has given the government "big assurances" the project will go ahead. (*ABC News: Che Chorley*)

The Northern Territory government is downplaying concerns about the future of the \$30 billion Sun Cable project, after the collapse of the company behind what would be the world's largest solar farm.

A dispute about project financing [between the energy company's two biggest shareholders — billionaires Andrew "Twiggy" Forrest and Mike Cannon-Brookes](#) — is understood to be behind its move into voluntary administration.

It is the latest in a string of major economic projects in the NT to come under a cloud, alongside [infrastructure](#), [food production](#) and [gas](#) projects central to Labor's hopes for growing the jurisdiction's small economy.

Key points:

- The Sun Cable project would see power from a massive solar farm near Tennant Creek exported to Singapore
- The company says funding disagreements between shareholders have forced it into administration

Acting Chief Minister Nicole Manison said she was briefed about Sun Cable's collapse shortly before it was announced publicly on Wednesday.

- The NT government has cited the project in its plans for a \$40b economy

She said she was given "big assurances" about the future of the project, which would see power from a massive solar farm near Tennant Creek exported to Singapore via a 4,200-kilometre-long sub-sea cable dubbed the Australia-Asia Power Link.



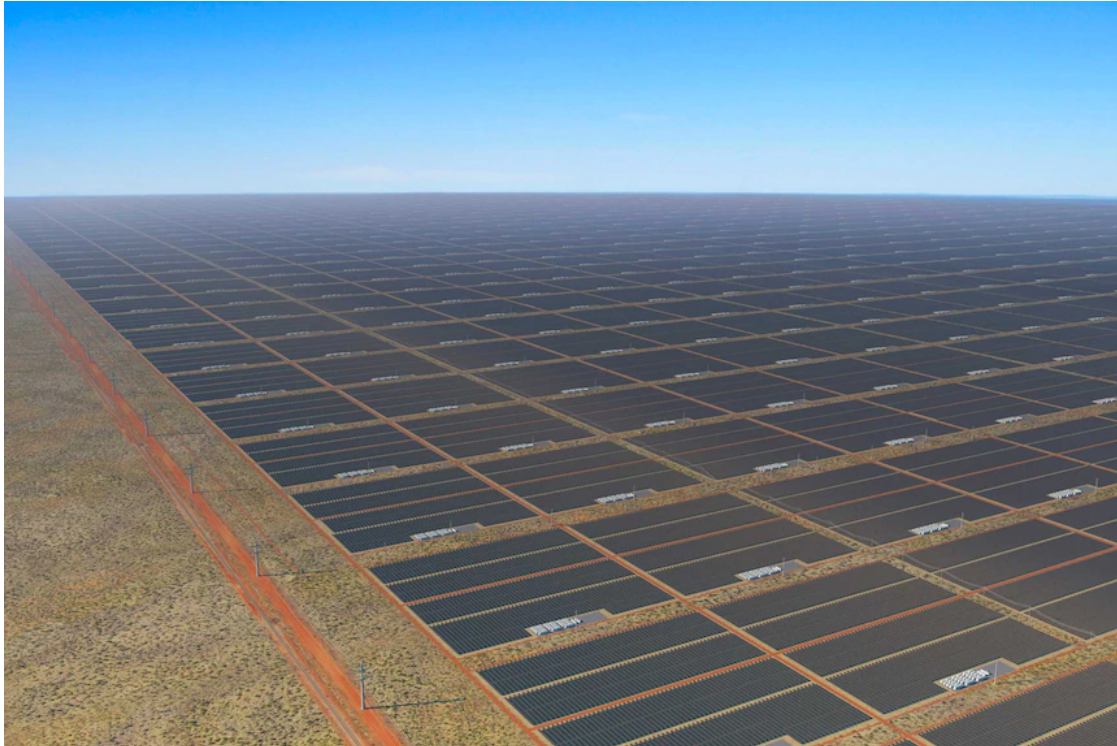
Mike Cannon-Brookes and Andrew Forrest disagreed on the solar company's direction.
(AAP/ABC News)

"They're going through some shareholder issues and they are resolving them, and they are anticipating they are going to resolve them very swiftly and get on with business," Ms Manison told reporters.

"They are confident they will be out of the voluntary administration process swiftly and that we can have confidence in the future of this fantastic project."

The ABC understands the issues in dispute include Sun Cable's spending of significant amounts of cash and failure to achieve certain milestones as required by funding agreements.

Ms Manison said the company had advised it expected voluntary administration to last a number of months.



The Sun Cable project would cover 12,000 hectares near Tennant Creek in the NT.

(Supplied: Sun Cable)

In its statement, Sun Cable said the "difficult decision" to enter administration was based on the need to find "additional capital".

"This will likely involve a process to seek expressions of interest for either a recapitalisation or sale of the business," the statement said.

Mr Cannon-Brookes was quoted in a Sun Cable statement saying he was confident the project would go ahead.

"I fully back this ambition and the team, and look forward to supporting the company's next chapter," he said.

Uncertainty 'certainly doesn't help' investor confidence in the NT

The trouble comes a month after [the collapse of a joint-venture partner chosen to build the government-funded Darwin ship lift](#), a project whose cost has blown out to an estimated half a billion dollars.

There are also question marks over the future of [Santos' \\$4.7 billion offshore Barossa project](#) and [the Project Sea Dragon prawn farm](#).

The NT government has not committed any funding to the Sun Cable project but gave it major-project status in 2019.

Labor has touted the projects as part of its vision to achieve a \$40 billion economy by 2030, after years of stagnant economic performance following the Inpex construction boom.

Ms Manison told reporters on Wednesday the government "makes no apologies" for backing investments in the NT and had made the right calls.

"These are not easy projects; they require significant investment, significant complexity and a lot of work," she said.

"But we do what we can as the NT government to back in these major investors here in the Northern Territory, because it is a great thing for the territory going forward."

Sun Cable is among a string of major projects the NT government hopes will turbocharge the local economy. *(ABC News: Che Chorley)*

NT Chamber of Commerce chief executive Greg Ireland said the news was a surprise.

He was hopeful the project would be built, especially after the "considerable effort and expense" that had already gone into it, "predominantly by the proponent themselves".

Mr Ireland said if it did not go ahead, the project's failure would be a major blow to the NT economy.

"I think the main loss for the territory will be confidence in the business environment, moving forward," he said.

"It's a substantial project. There's a lot of money going to be flowing through the territory on the back of projects like this, and that doesn't certainly help us with business confidence moving forward."

Sun Cable 'can be resurrected', clean energy finance commentator says

The company had hoped to begin construction in 2024 and said the work would generate more than 1,000 jobs.

It hoped to be providing power to Darwin in 2027 and Singapore in 2029.

But the project still has a raft of environmental and land access approvals to secure, and some experts have [cast doubt on its technical feasibility and Singapore's appetite for the investment](#).

Tim Buckley, the director of public interest think tank Climate Energy Finance, told ABC Darwin the immense scale and complexity of what Sun Cable was trying to achieve meant there were always bound to be "some hiccups".

"This [current funding situation] is dead, but that doesn't mean the whole vision's dead, that the company's dead. It can be resurrected," he said.

"At the end of the day, when you're trying to do something that's never been done before anywhere in the world, ever before, it's always going to have some strategic, geopolitical, financial hiccups."

Mr Buckley said the public could "easily expect" the project to be resurrected "in a new form, in a new corporate structure" and possibly with more foreign government underwriting of the financial and political risks involved.

Infrastructure Australia placed the project on its priority list last year, declaring it ready for investment.

Sun Cable had hoped a final investment decision on the project would be made by the start of 2024.