



Opening doors for sustainable Australian homes

Find out how the CEFC is helping
to lower emissions for Australian
homes, via the Household Energy
Upgrades Fund.



Australian Government

Putting Australian homes on the fast track to sustainability

Australia's net zero emissions journey begins at home. More than 11 million existing homes use as much as 25 per cent of our electricity and produce about 10 per cent of our carbon emissions.

The good news is that there are multiple proven and cost-effective technology solutions to help us get there: solutions which can reduce home energy use, cut emissions and contribute to a more sustainable Australia.

Through the CEFC Household Energy Upgrades Fund, there are also a growing number of low-cost green finance options which can help householders cut their borrowing costs as they upgrade their home energy performance.

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Acknowledgement of Country

The CEFC acknowledges the Traditional Owners and Custodians of this land, and we pay our respects to all Elders, past and present. We recognise and celebrate their deep and continuing connections to Country, skies, seas and waters.



Australia's 'green bank' solution

The CEFC has been investing as Australia's specialist 'green bank' for more than a decade.

We have made more than \$17 billion in investment commitments, right across our economy. And together with our co-investors, these investments are delivering more than \$71.5 billion in new investment in our net zero future.¹

Along the way we've built up a unique portfolio of investments across greener residential outcomes – from community housing to build-to-rent and masterplanned communities, seniors living and student accommodation. All these investments have a clear focus on bringing the sustainability benefits of clean energy and energy efficiency to households.

Increasing uptake of renewable energy, storage and related infrastructure is critical to Australia's net zero ambitions and clean energy transition. The installation of more rooftop solar, home batteries and energy efficiency equipment will help manage household energy costs and unlock additional clean energy capacity.

Strong market interest

The HEUF was formally initiated on 1 December 2023, with \$1 billion in funding from the Australian Government to incentivise the take up of clean energy technology and energy efficiency measures for existing residential dwellings.

In shaping the program, the CEFC consulted with more than 100 representatives from the property, home energy and finance sectors, as well as industry organisations and government agencies.

Our initial HEUF Request for Proposal received submissions from more than 20 financiers. Together, the proposals indicated the potential for in excess of \$850 million in discounted finance for households for eligible sustainability upgrades.

The CEFC continues to receive submissions for HEUF finance from other market participants. Interested financiers include major banks, mutual banks, non-banks and fintech innovators, with proposals ranging from green mortgages to green personal loans and other green finance products.

Multiple technology options

HEUF finance specifically targets energy improvements to existing dwellings, which may lack best practice building, energy efficiency, and heating and cooling options.

A broad approach to eligible technologies provides flexibility for borrowers while creating scope for new and emerging technology solutions where these reduce household emissions. Eligible technologies may include:

- **Energy generation and storage:** Solar PV systems and batteries, solar hot water systems
- **Heating and cooling:** Double-glazed windows, insulation, energy efficient air-conditioners, and ceiling fans
- **Plus:** Electric vehicle chargers, heat pump hot water systems, home energy monitoring systems, pool pumps and induction cooktops.

¹ <https://www.cefc.com.au/insights/investment-updates/investment-update-record-investments-target-net-zero/>



Customer-centric approach

The HEUF leverages the robust lending capabilities of the Australian finance sector to deliver low-cost, efficient, customer-centric and scalable co-financing programs.

The CEFC “crowds in” investments from co-financiers in the form of capital, information technology infrastructure upgrades and marketing costs, and the co-contribution of concessionality to deliver green loan programs across Australia. This has generated competition from lending institutions and resulted in a variety of competitive green loan offerings.

The CEFC continues to consult with the energy industry and state governments to ensure that the settings for the eligible HEUF technologies, such as accreditation and licensing requirements, support consumer protection.

Through the HEUF, the CEFC also supports other government policy objectives, including climate-related reporting, sustainable finance taxonomy, home energy rating disclosure, and energy grid stability through demand response.

CEFC investment commitments through the HEUF reached \$345 million to 31 December 2024. Alongside an additional capital of \$285 million from four HEUF co-financiers, Australians can access up to \$630 million of low-cost green loan finance to help them improve the energy performance of their homes, save on borrowing costs and make a positive step towards our net zero future.

As with all CEFC investment commitments, HEUF-related investments are subject to CEFC Investment Policies and CEFC Board approval.



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People who live in homes with poor energy performance require a lot of energy to heat and cool, making them vulnerable to extreme temperatures and energy price changes. Our discounted finance programs are an important way to address this problem.

CEFC



HEUF finance at work



Bank Australia Clean Energy Home Loan

CEFC commitment: up to \$50m
Program size: up to \$100m

- Reduced variable rate for first five years
- Supporting all electric and energy efficient homes
- Access to free home energy assessment tool via BOOM!Power

More information: [Bank Australia website](#)

ING Green Upgrade Loan

CEFC commitment: up to \$75m
Program size: up to \$150m

- Available to ING mortgage customers
- Maximum loan \$50,000
- Access to Home Energy Helper, delivered in collaboration with BOOM!Power, which can recommend appropriate clean energy technology

More information: [ING website](#)

Plenti HEUF Discounted Green Loan

CEFC commitment: up to \$60m
Program size: up to \$60m

- Discounted rates off Plenti's standard green personal loans
- Access extensive network of accredited partners and installers
- Upgrades include solar battery systems and energy-efficient home assets.

More information: [Plenti website](#)

Westpac Sustainable Upgrades Home Loan

CEFC commitment: up to \$160m
Program size: up to \$320m

- Available for those with an approved Westpac home or investment loan of \$150,000 or more
- Maximum loan \$50,000
- Example technologies include solar battery systems, EV chargers, double-glazed windows, insulation.

More information: [Westpac website](#)



Energy savings potential

Australia's national science agency, CSIRO and the Climateworks Centre analysed data from 102,000 homes to understand what it would take to get Australia's current building stock to a zero-carbon standard.

Their work, brought together in *Climate-ready Homes: Building the case for a renovation wave in Australia*, found the most common home archetypes could be turned into net zero carbon performers with either a quick fix, modest or full climate-ready upgrade.

With 'quick-fix' and 'climate-ready' thermal upgrades plus full electrification of appliances, households could save an average of between \$1,690 and \$2,002 each year, respectively. This equates to average savings of 43 to 51 per cent on total domestic energy bills per home.

Australian homeowners who invest in 'quick-fix' and 'modest' thermal upgrades, full electrification of appliances and rooftop solar can have annual net savings on average of between \$909 and \$1,578 from the first year. These net savings factor in interest payments for loans or mortgages at a standard mortgage rate of eight per cent.

Electrifying households

One in three homeowner households using mains gas say they are thinking of cancelling their gas supply within the next 10 years, according to research from Energy Consumers Australia – and nearly one in 10 say they will probably cancel their gas supply in the next two years.

The report: *How households use gas and their attitudes towards electrification*, analyses data from a survey of more than 4,000 Australian consumers to understand how they are currently using gas, whether they are considering electrification, and the potential challenges for them in the transition to electric alternatives.

The analysis found that nearly half of Australian households – 46 per cent – thought that reducing household gas consumption was extremely or quite important to reduce emissions.

Retrofits for climate-ready comfort

The vast majority of existing Australian homes are inefficient in terms of energy consumption and thermal comfort, meaning that a large number of householders are vulnerable to extreme temperatures while in their own homes.

Modelling from the Reliable Affordable Clean Energy for 2030 Cooperative Research Centre¹ found that a home retrofit scheme targeting improvement of one million existing Australian homes across five years could:

- Reduce home energy use by up to 9,000 kWh per year per home
- Reduce home emissions by up to 5.8 tonnes of CO₂-e per year per home
- Create an up to \$55 billion private finance investment opportunity.

¹ <https://racefor2030.com.au/home-retrofits-would-cut-energy-use-increase-comfort-of-australian-homes-new-study/>



Investment parameters

The CEFC aims to provide low-cost finance for best practice energy performance initiatives, working with co-financiers to create tailored and discounted green finance products which are easy for households to access.

CEFC HEUF-related investment commitments with co-financiers focus on debt financing, with hybrids, convertible notes, other forms of quasi-debt or equity considered where required to unlock concessional loan finance for consumers.

The CEFC invests on market terms and returns, with a preferred minimum CEFC investment commitment of \$20 million per co-financing transaction. The CEFC does not have a preferred maximum investment size.

HEUF-related investments may include a degree of concessional finance. The CEFC considers concessionality on a case-by-case basis. It may be in the form of reduced returns to the CEFC, extended tenor, or other structural features which result in avoided costs that would not be possible for an equivalent structure in the broader market.

Co-financiers are required to pass the benefits of CEFC finance on to their customers, in the form of discounted financing arrangements.

Please note: The CEFC does not provide finance to individual borrowers and is not involved in individual financing decisions. Interested borrowers should contact financial institutions directly.



CEFC and consumers

The HEUF is structured so that the CEFC can leverage the consumer reach and lending capability of Australian financiers to offer discounted consumer loans to customers. This means that the CEFC:

- Does not offer loans directly to consumers
- Is not responsible for the assessment and approval of individual loan applications
- Does not encourage, promote or endorse products or associated companies for the installation of products
- Is not responsible for products or labour selected that are not fit for purpose, do not suit consumers' needs or are faulty
- Is not responsible for any incidents, accidents or injuries arising from products or labour associated with the installation of products.

Role of co-financiers

Working with established co-financiers means HEUF finance can be more readily available to a broad range of consumers Australia-wide. Co-financiers:

- Pass on the benefits of HEUF finance to borrowers
- Finance eligible technologies as agreed with the CEFC
- Create and deliver specialist financing products to customers
- Assess individual loan applications.



About the CEFC

The CEFC is a specialist investor in Australia's transition to net zero emissions by 2050. With access to more than \$30 billion from the Australian Government, we invest in renewable energy, energy efficiency and low emissions technologies. We have a particular focus on modernising our transmission network, to bring the benefits of solar, wind and energy storage to consumers. Tailored co-finance programs deliver discounted loans to support households and farmers lift their sustainability, while enabling more Australians to transition to electric vehicles. CEFC capital also backs the net zero transformation of key infrastructure, property, manufacturing and resources assets. Governed by an Independent Board, the CEFC invests with commercial rigour to deliver a positive return across our portfolio.

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