A defining year in Australia's transition to net zero

CEFC Investment Update 2025–26

CEFC investment underpins $105 billion in project value

The past year has been a defining one for Australia's transition to net zero. The conflict in the Middle East, and the resulting oil shock, have underscored the benefits of reducing the nation's reliance on fossil fuels and accelerating the shift to clean, renewable energy and electrified transport.

While this has been central to the work of the CEFC since our inception, recent events have brought a new urgency to that mission. They demonstrate that while we're reducing emissions, we can also build a more resilient economy over the long term.

This year also proved that the clean energy transition has moved from ambition to execution. Nearly 40 per cent of the coal-powered generation fleet has retired, while renewables are fast approaching the milestone of delivering half the annual electricity needs of consumers[1]. And Australians have embraced the change: more than 1 in 3 detached and semi-detached dwellings have rooftop solar and approximately 600,000 households have batteries[2].

The question is no longer what to build, but whether we can deliver it on time. The Australian Energy Market Operator's 2026 Integrated System Plan makes clear that slower progress on transmission, renewables or storage would erode consumer benefits, increase reliability risks and make the transition more expensive.

Catalysing $105 billion of investment

This financial year also marks a milestone for the CEFC. We committed a record $9.1 billion in the 12 months to 30 June 2026, across 45 new and follow-on transactions, representing a total transaction value of $19.6 billion.

Looking over a longer period, the $27.1 billion we've committed since inception has had a multiplier effect across the Australian economy, catalysing projects worth $104.7 billion.

Every dollar of CEFC capital committed in the 12 months was matched by an additional $3.40 from co-investors[3]. This robust rate of leverage underscores the central role of the CEFC in crowding in capital to drive decarbonisation of the economy.

A fond farewell

This will be my last Investment Update as CEO of the CEFC. As announced recently, I will be retiring from the CEFC in September this year, handing the baton over to my colleague and friend, Paul McCartney.

It has been a great privilege and pleasure to lead this organisation for almost a decade. I am grateful to everyone who has been on this journey with me, including the CEFC team, co-investors, project proponents, industry partners and government stakeholders. Having worked with so many passionate, knowledgeable people during my time at the helm, I leave the CEFC knowing that the transition is in very good hands.

Ian Learmonth
Chief Executive Officer, CEFC

1. Consumers within the National Energy Market. Source: Australian Energy Market Operator, 2026 Final ISP.
2. Source: Australian Energy Market Operator, 2026 Final ISP.
3. Excluding the Rewiring the Nation Fund.

Cover: Nari Nari Tribal Council restores significant wetlands for carbon and biodiversity benefits.
Image: Murray Fredericks Photography.

Investment overview

Our investment commitments for the 2025–26 year were remarkable for their diversity of scale and sector.

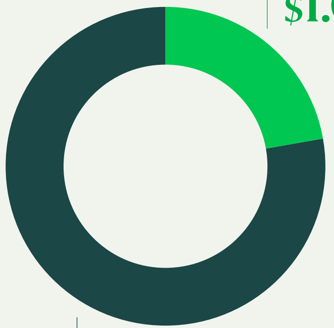
From a $3.8 billion expected commitment to Marinus Link, a nation-building investment in transmission infrastructure, through to a $7 million commitment to agricultural robotics company SwarmFarm, CEFC capital is being invested where it's needed across the economy.

CEFC investment
1 July 2025–30 June 2026

$19.6b
Total transaction value

45
Transactions

$9.1b
CEFC commitments



CEFC
$1.00

Co-investors
$3.40
Capital leverage[1]

$7.8b
Renewable energy

$650.4m
Energy efficiency

$704.9m
Low emissions technology

1. Excluding the Rewiring the Nation Fund.

Investment highlights

With access to more than $33 billion in capital from the Australian Government, CEFC investments in 2025–26 contributed to a broad range of activities focused on emissions reduction, energy efficiency and carbon sequestration.

The **Rewiring the Nation Fund** accounted for the largest transactions, with $7.2 billion in CEFC capital committed. Key transactions included Marinus Link and North West Transmission Developments, which will enable the flow of more electricity between Tasmania and the mainland, support renewable energy flow and help lower long-term costs for consumers.

The CEFC made commitments in the **General Portfolio** valued at $1.7 billion, representing a diverse investment portfolio across 23 new transactions and six follow-on transactions in the year. These investments attracted an additional $3.62 for each dollar of CEFC capital for a total transaction value of $7.8 billion and spanned a range of sectors including natural capital, property and the built environment, renewables and transport.

The **Powering Australia Technology Fund** made five new and three follow-on investment commitments to help scale innovative Australian businesses in the emissions reduction and clean technology space. This included direct investments in companies as well as a $20 million cornerstone investment in the IP Group Climate Catalyst Fund, a pooled vehicle focused on emerging climate tech companies.

The CEFC played an important role in electrifying Australia's passenger and commercial vehicles over the reporting period, saving fuel costs and fuel consumed. Since inception, the CEFC has helped finance more than 23,000 **electric vehicles** (EVs), exceeding $1.4 billion in total value, including third-party capital through its co-finance programs.

We financed over $340 million of **large-scale renewables and storage,** representing an additional 1.2 GW of renewable energy and 3,000 GWh capacity added to the grid. Continuing to build out renewables and storage is key to lowering electricity costs, meeting the Australian Government's emissions reduction targets and supporting its target of 82 per cent renewable electricity by 2030.

The CEFC was also proud to back two innovative, **First Nations-led projects** for the first time in our history. The first is a plantation forestry project in the Tiwi Islands that will generate high-integrity Australian Carbon Credit Units. The second will help the Nari Nari Tribal Council restore one of Australia's most significant freshwater wetlands systems, The Great Cumbung in south-west NSW.

Capital management

Capital deployed

Deploying capital efficiently is essential to meeting the scale and pace of the climate challenge. For the CEFC, this means moving quickly once investment decisions are made, so project proponents and co-investors can advance emissions reduction opportunities with confidence. This disciplined approach also supports broader economic activity by helping investment flow into priority areas. In 2025-26, the CEFC continued to deploy capital at scale, with deployment reaching $2 billion. Lifetime deployment was $16.6 billion.

$2b

1 July 2025–30 June 2026

$16.6b

Lifetime

CEFC Portfolio composition

Equity **$3.2b**

Debt **$15.5b**

Capital returned

The CEFC applies a disciplined commercial approach to its investment activity. To 30 June 2026, this approach had generated $7.8 billion in lifetime repayments and capital returned through sales of CEFC investment commitments, including $1.8 billion received during 2025–26. These funds can be recycled into new investment opportunities.

$1.8b

1 July 2025–30 June 2026

$7.8b

Lifetime

Innovative capital recycling

In the reporting year, the CEFC launched an innovative capital recycling initiative that cornerstoned a new Australian Ethical fund by transferring selected CEFC equity investments. The new fund holds a diversified portfolio of renewable energy, natural capital and climate-focused assets available to both institutional and wholesale investors. This means wholesale investors can now access high-impact climate investments, while the CEFC frees up capital for future opportunities and helps crowd in additional private investment for Australia's decarbonisation.

Marking a milestone

CEFC lifetime investment commitments reached $27.1 billion to 30 June 2026. In a significant milestone, the total project value associated with these commitments reached more than $100 billion across more than 440 transactions.

This represents an additional $3.54 in investment for each dollar of CEFC capital[1]. Notably, it includes more than $4.2 billion in CEFC and third-party capital to support finance options for more than 123,000 smaller-scale asset finance projects across the economy.

The CEFC plays a central role in supporting Australia's legislated emissions reduction targets: cutting greenhouse gas emissions to 43 per cent below 2005 levels by 2030 and reaching net zero emissions by 2050, alongside the Australian Government's 2035 target of reducing emissions by 62 to 70 per cent below 2005 levels.

Achieving these targets requires sustained investment across renewable energy, battery storage, cleaner transport, energy affordability and measures to cut emissions in hard-to-abate sectors including land, the built environment and industry. For the CEFC, this is not only an emissions reduction task. It is also an economic resilience task: helping Australia build a cleaner, more competitive and more secure economy as global markets shift toward net zero.

CEFC investment
Lifetime

$104.7b
Total transaction value

>440
Transactions

$27.1b
CEFC commitments

CEFC
$1.00

Co-investors
$3.54
Capital leverage[1]

1. Excluding the Rewiring the Nation Fund.

Spotlight:

Rewiring the Nation Fund

A modern grid for a clean energy future

The Rewiring the Nation (RTN) Fund is driving the build-out of a modern grid for more affordable, cleaner energy. Australia's ageing transmission grid was designed for centralised coal-powered generation; it's not optimised to support the use of Australia's world-class but dispersed solar and wind energy sources. As Australia retires its coal-fired generators, a combination of renewables and battery storage represents the lowest-cost form of replacement, and the nation requires a modern grid to enable this lowest-cost solution.

The RTN Fund has flexible financial levers and uses tailored financing structures to support transmission and grid-related projects that meet the Fund objectives. The RTN Fund has a lower Portfolio Benchmark Return target than the General Portfolio and is able to use greater levels of concessionality where this supports the Fund's public policy objectives. The RTN Fund's core objectives are (1) timely delivery of transmission or grid-related projects and (2) reducing consumer cost.

Lowering costs for energy consumers

The RTN Fund helps lower energy costs by bridging commercial gaps to accelerate essential grid projects and by reducing the cost of capital to deliver direct consumer cost reductions. Because large transmission investments are recovered from energy consumers over decades, lower financing costs can make a material difference to the long-term cost of delivering the infrastructure needed to connect new renewable generation and storage. This in turn lowers network charges that electricity consumers would otherwise pay.

Without timely transmission upgrades, renewable projects face connection bottlenecks that can delay investment and increase costs for consumers over time. Targeted RTN Fund investment helps resolve these finance and delivery constraints, using concessional and tailored financing solutions to unlock priority projects, improve access to capital and support lower wholesale market costs.

RTN Fund transaction highlights

Marinus Link

The CEFC committed an expected $3.8 billion through the RTN Fund to support Stage 1 of Marinus Link, a 750 MW undersea and underground electricity and data interconnector between North West Tasmania and the Latrobe Valley in Victoria. The long-term concessional debt finance is part of a broader funding package with equity from the Australian, Tasmanian and Victorian Governments. The concessional finance and lower returning equity provided by the CEFC will result in a 45 per cent reduction in consumer costs in the first five years of Marinus Link's operation.

North West Transmission Developments (NWTD)

This is a key part of the broader Project Marinus, which will connect with Marinus Link and increase electricity capacity between Tasmania and the mainland. The CEFC committed $1.2 billion to help TasNetworks deliver stage one of the project at significantly lower cost to consumers. The low-cost, long-term financing, combined with TasNetworks' lower-returning equity, is forecast to reduce network charges paid by consumers for the project by around 55 per cent over the life of the project, compared with standard regulatory settings. This equates to an estimated $315 million in benefits to Tasmanian electricity consumers in the first five years of operation.

Spotlight:

Household Energy Upgrades Fund

Through the Household Energy Upgrades Fund™ (HEUF), the CEFC is helping households access finance for solar, batteries and efficient electric appliances, supporting lower energy bills and reduced emissions.

Since its launch two years ago, the HEUF co-financing program is estimated to deliver total household savings of up to $16.4 million annually[1], helping Australians better manage energy costs while addressing the upfront cost barriers that can delay household upgrades.

CSIRO modelling found that households accessing the HEUF co-financing program are estimated to have benefited from average electricity bill savings of approximately $1,700 to $2,300 a year, energy cost reductions of around 80 to 85 per cent across upgraded homes and around $570 on average in HEUF loan interest savings in the first year.

In this way, the HEUF is delivering immediate cost-of-living relief while helping households future-proof their energy use. By reducing upfront costs through co-financiers, the CEFC is enabling more Australians to access proven technologies that deliver lasting savings and greater energy independence.

To 30 June 2026, the CEFC has committed $535 million through the HEUF, with seven co-financiers contributing a similar amount to deliver more than $1 billion in low-interest consumer lending programs. This reflects the role of CEFC capital in mobilising private finance and supporting practical emissions reduction opportunities in Australian homes.

HEUF transaction highlights

$535m
CEFC lifetime commitment

$16.4m
Total household savings annually[1]

~85%
Energy cost reductions across upgraded homes

1. CSIRO modelling, based on the number of HEUF loans as of 30 June 2026.

About the CEFC

The CEFC is Australia's specialist climate investor, helping cut emissions in the race towards net zero by 2050. We invest in the latest technologies to generate, store, manage and transmit clean energy. Our discounted asset finance programs help put more Australians on the path to sustainability, in their homes and on the road. CEFC capital is also backing the net zero transformation of our natural capital, infrastructure, property and resources sectors, while providing critical capital for the emerging climate tech businesses of tomorrow. With access to more than $33 billion from the Australian Government, the CEFC invests with commercial rigour and is governed by an independent board.

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 their continuing connections to country, water and culture.

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