



Annual Report
2025–26

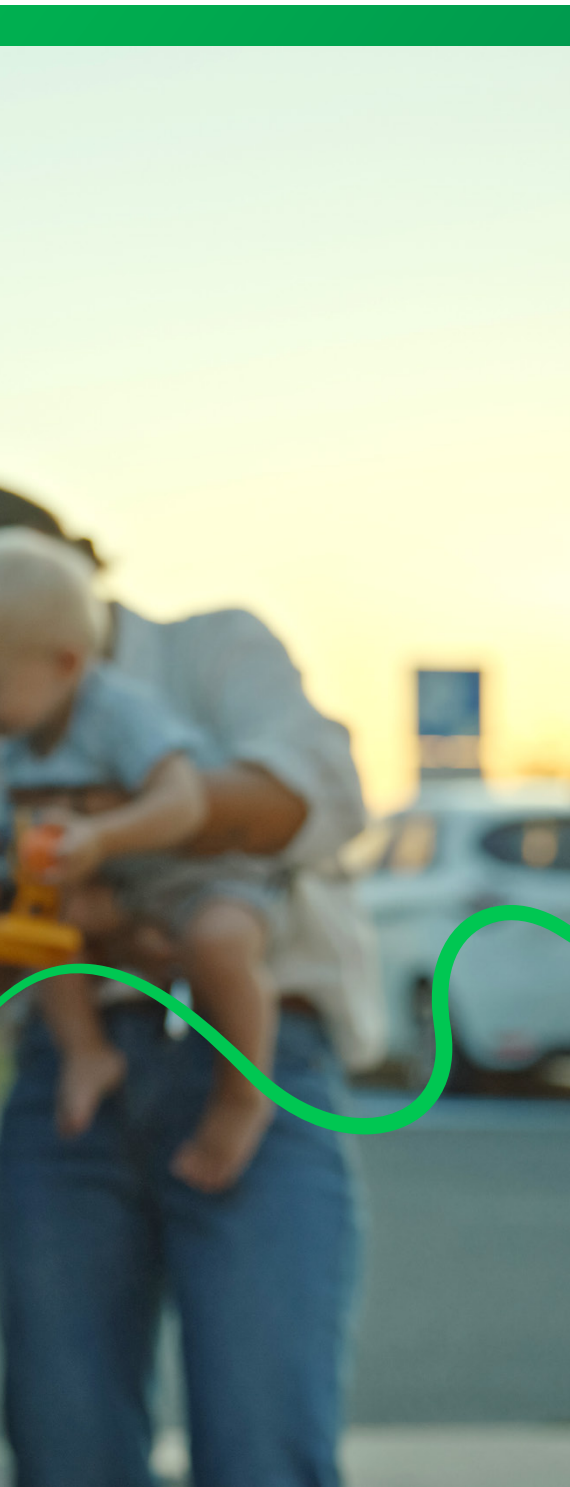
Driving Australia's decarbonisation journey



Australian Government

About the CEFC





The CEFC is playing an important role in reducing greenhouse gas emissions in Australia. We are here to invest in the industries and innovations that help to decarbonise the economy – now and into the future. With access to more than \$33 billion of capital, we act as a catalytic investor across the economy, from clean energy to natural capital.

Contents

Performance	3
About the CEFC	3
A message from the Chair	6
A message from the CEO	8
Investment activity	12
How we invest	22
Annual Performance Statements	26
Governance	32
Financial information	62
Sustainability	138
Appendices	174



Australian Government



1 October 2026

Senator the Hon Katy Gallagher
Minister for Finance

The Hon Chris Bowen MP
Minister for Climate Change and Energy

Parliament House
CANBERRA ACT 2600

Dear Ministers,

Clean Energy Finance Corporation (CEFC) Annual Report 2025–26

On behalf of the Board and Management of the CEFC, I am pleased to present the *Clean Energy Finance Corporation Annual Report 2025–26*.

This Annual Report has been prepared for presentation to the Australian Parliament in accordance with section 46 of the *Public Governance, Performance and Accountability Act 2013* and meets the requirements of the following Acts and their accompanying subordinate legislation:

- *Clean Energy Finance Corporation Act 2012*
- *Public Governance, Performance and Accountability Act 2013*.

This report includes:

- A Report of Operations, including the additional information required by section 74 of the *Clean Energy Finance Corporation Act 2012*
- The audited Financial Statements and Notes and the Auditor's Report
- Mandatory reports under:
 - Section 516A of the *Environment Protection and Biodiversity Conservation Act 1999*
 - The Commonwealth Climate Disclosure policy
 - Schedule 2, Part 4, section 4 of the *Work Health and Safety Act 2011*
 - Section 9 of the *Equal Employment Opportunity (Commonwealth Authorities) Act 1987*.

This Annual Report was approved on 29 September 2026 in accordance with a resolution of the Board of the CEFC at its 154th meeting held on 26 August 2026.

There were no exemptions from reporting requirements sought or granted.

Yours sincerely,

Steven Skala AO
Chair

About the CEFC

The CEFC invests in Australia's transformation to a lower-emissions economy.

We are a specialist investor, focused on bridging market gaps and building investor confidence. We work to reduce emissions and increase energy efficiency in the electricity, infrastructure, property, and transport sectors, and sequester carbon in the natural capital sector. We provide financing to accelerate the decarbonisation of our electricity system and modernise the nation's electricity grid. We invest in innovative Australian businesses to scale and commercialise clean energy technologies. Our discounted finance programs help put more Australians on the path to sustainability, in their homes and on the road, in business and on the farm.

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.

The CEFC vision for reconciliation is one that ensures First Nations peoples have equal opportunities to participate in the transition to a net zero emissions economy, both as custodians of this land and as beneficiaries of a more sustainable future. We recognise the rich histories, cultures and contributions of First Nations peoples. As a specialist investor, we have a clear focus on the sustainability impact of our investments, so that they deliver benefits for generations to come.



Artwork: *Creating a sustainable future*
by Wiradjuri artist Jordana Angus.

Investing to lower emissions across the economy

We invest across a diverse range of sectors to help decarbonise the economy in many different ways. From modernising the grid to helping households install renewables, our capital is driving positive change for Australia.



Where we invest

Total capacity



Rewiring the Nation Fund

Transmission · Storage · Grid infrastructure

\$19.6b

General Portfolio

Economy-wide decarbonisation

\$11.5b

Household Energy Upgrades Fund

Residential clean energy

\$1b

Powering Australia Technology Fund

Climate tech innovation

\$500m

Advancing Hydrogen Fund

\$300m

Clean Energy Innovation Fund

\$200m

Investment highlights 2025–26

45

New and follow-on transactions

\$19.6b

Total transaction value



\$9.1b

CEFC commitments



CEFC

Co-investors

Capital leverage*



Investment priorities

Decarbonise energy

Including renewable generation, battery storage and grid transformation.

Efficient use of energy and material

Backing investment in infrastructure, transport, property and industry to transform energy performance.

Natural capital, carbon sequestration

Investing alongside landholders to improve sustainable land use and develop carbon sequestration opportunities.

Performance measures and targets

Key activity area

Deploy capital across our investment portfolio to drive action across our strategic priorities and deliver emissions reductions

Measures

Total capital committed (excluding RTN Fund)



Achieved

TWh of expected annual output of new energy capacity



Exceeded

Mt estimated emissions reductions



Exceeded

Delivering the RTN



Exceeded

Adjusted operating result



Exceeded

Capital recycling plan



Exceeded

Key activity area

Harness our role as a leader to deliver emissions reductions beyond our investments

Measures

Evidence of industry leadership and innovation that positively contributes to meeting Australia's emissions reduction targets



Exceeded

* Excluding Rewiring the Nation Fund.

A message from the Chair

Marking a pivotal year



“

We must consider how to tackle some of the most intractable sources of emissions.

\$9.1b

Record investment commitments

45

New and follow on transactions

1 July 2025 – 30 June 2026

Australia's renewable energy sector is maturing, with record adoption of utility-scale renewables and storage complemented by the strong uptake of rooftop solar and batteries by households. The CEFC has played an important role in driving this momentum, but as this progress continues, we must also look ahead and increasingly consider how to tackle some of the most intractable sources of emissions. This future focus is an important strategic theme for the CEFC, even as we celebrate the achievements of the 2025–26 year.

It has indeed been a landmark year for CEFC investment. The CEFC 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. Over our lifetime, investment commitments reached \$27.1 billion across more than 440 large-scale transactions, representing a total transaction value of \$104.6 billion.

A big year for renewables

In the final quarter of 2025, wholesale electricity prices in the National Electricity Market (NEM) almost halved for that period. This was driven by record renewable generation, which supplied more than half of total energy needs for the first time. Across 2025–26, renewable penetration in the NEM averaged 46 per cent, underscoring the continued growth in renewable generation. This progress is the outcome of many years of sustained investment by the CEFC, private capital and governments. The job is by no means finished and is, in fact, made harder by falling electricity prices, where potential margin contraction can make renewables investment more challenging. The demand for renewables to power data centres adds to the complexity of planning and delivery.

Addressing harder-to-abate sectors

The CEFC is looking beyond the energy sector to make significant inroads into reducing the nation's greenhouse gas emissions. This is an important inflection point for the CEFC. We can note the progress made over the past decade on renewable energy, storage and transmission, while remaining clear-eyed about the more difficult task ahead. The next phase of decarbonisation will require a strategic shift to an increasing focus on harder-to-abate sectors with highly carbon-intensive activities, where commercial alternatives are still emerging.

Over the next decade, the CEFC will move from relatively mature renewable energy opportunities into sectors where decarbonisation is more complex, likely more expensive and less commercially proven. In these markets, private capital may be harder to attract because returns are less certain and costs are likely to be higher. The CEFC will remain focused on using our capital and financing expertise to help

create investable markets, while recognising that the economics may be more challenging than in the earlier renewable energy buildout.

Transforming the grid

A critical role of the CEFC is our work in Rewiring the Nation (RTN). These large-scale transmission projects are required to enable development optimisation and the flow of renewable energy. It requires very significant amounts of capital. The CEFC's dedicated RTN Fund has close to \$20 billion to invest in projects around Australia. To lessen costs that would otherwise flow through to electricity consumers, the CEFC uses our financing expertise to provide our capital at concessional rates, in line with the Government's policy that guides that Fund's operation.

Financial outcomes

The CEFC is a single investment vehicle but delivers on multiple policies through different investment Funds, as outlined below.

- **General Portfolio:** seeks to invest in the transition and generate an overall return to the taxpayer;
- **RTN Fund (and to an extent the Household Energy Upgrades Fund):** we invest with greater concessionality to lower the cost of the transition to consumers, than it would otherwise be;
- **Clean Energy Innovation Fund, Powering Australia Technology Fund and Advancing Hydrogen Fund:** we invest at a higher level of risk in emerging businesses and technologies that are important for the transition. We may experience higher volatility in financial results between periods.

Accounting standards require the mark-to-market valuation of concessional loans. Particularly as a result of the highly concessional loans in our RTN Fund, our income statement shows an upfront, non-cash expense and our balance sheet a liability of approximately \$3.3 billion in 2025–26. However, this liability is expected to amortise to \$nil over the life of the relevant projects and is not expected to require settlement in cash.

When we normalise for concession and certain other non-operating items, our normalised operating surplus for the 2025–26 year is \$153.7 million. This is down from \$231.9 million in the previous reporting period (2024–25), with the decrease primarily due to the net write-down in the value of certain early-stage investments in the Clean Energy Innovation Fund. Further details can be found on page 24 under *Financial Outcomes*.

CEO handover

As Ian Learmonth completes his appointment as CEO, I want to acknowledge the outstanding contribution he has made to the CEFC. Earning the respect of the Board, his colleagues, peers and the wider market, Ian's term has been marked by impressive leadership, strategy, results and execution. He leaves the CEFC as a stronger organisation, and on behalf of the Board, I thank Ian for his service.

I am also pleased to welcome Paul McCartney as the new CEO. He was appointed after an extensive external and internal search process. Paul, whose term starts in September 2026, was most recently the CEFC's Chief Investment Officer, Rewiring the Nation. He is an accomplished and well-regarded leader with more than 35 years' experience in finance, investment and commerce.

I have known Paul since I began as Chair at the CEFC some nine years ago and am confident that the organisation will be in good hands.

Board and stakeholders

I would like to recognise the significant contribution of my fellow Board members for their expertise, diligence and conscientiousness over the past year. In addition to the normal Board work in what was a busy year, several Board members committed a significant amount of their time and know-how to the many processes involved in the appointment of a new CEO.

I was pleased to welcome Dr Kate George to the CEFC Board in November 2025. Kate brings important skills and perspective to the organisation, including her longstanding focus on meaningful Indigenous participation. The CEFC is committed to supporting practical and substantive First Nations involvement in relevant projects, ensuring among other things, Indigenous participation in delivery.

Our Ministers, and the officers of the Departments of Climate Change, Energy, the Environment and Water, and Finance, have continued to provide consistent support for which we are very grateful. I acknowledge our staff whose energy and expertise power the CEFC, and extend thanks to the many stakeholders who share the CEFC's purpose as set out by the Australian Parliament: to facilitate the achievement of Australia's greenhouse gas emissions reduction targets and the increased flow of finance into the clean energy sector.



Steven Skala AO
Chair, CEFC

A message from the CEO

Delivering across the economy



Our work can be found in so many diverse places, supporting better outcomes and for many different Australians.

\$104.6b

Total transaction value

\$27.1b

CEFC commitments

Lifetime to 30 June 2026

As many of you know my time at the CEFC has come to an end and this is my last CEO letter in our Annual Report, as I pass the baton to the very capable new CEO, Paul McCartney.

It is very pleasing to be departing the organisation on such a positive note and I'm confident that this is an ideal time for a leadership transition. The last 12 months was a defining year for the CEFC, where we made a record \$9.1 billion in investment commitments, helping drive \$19.6 billion in total transaction value.

While the direct investment of CEFC capital is important, so too is the broader project value to which we contribute. The role of the CEFC is to provide financing that unlocks a larger transaction, providing a signal that attracts private capital. On this metric, we hit an important milestone: mobilising close to \$105 billion in clean energy project value across the economy since we began investing. This speaks to the truly catalytic nature of CEFC capital and reflects the sustained efforts of the CEFC team over time.

Diverse impact

Looking at the investments made over the reporting period, one thing that stands out is their diversity. We are backing emerging, innovative companies with technology such as robotic farm equipment and solar-powered truck refrigeration. At the other end of the spectrum, we are providing concessional finance to multi-billion-dollar investments in Rewiring the Nation projects, to build the nation's energy infrastructure, while reducing costs to consumers through such low-cost capital.

The CEFC is also working across multiple sectors of the economy. From electrifying student accommodation to restoring wetlands; from making electric vehicles (EVs) and charging more affordable, through to helping homes install solar and batteries; CEFC capital is working hard in a broad range of places.



I have seen so many groundbreaking transactions as well as watched the CEFC's leadership influence the many sectors where we work including energy, property, agriculture, alternative fuels and transport.

The benefits of these projects flow through to all sorts of Australian businesses and households. The highly concessional finance provided by the Rewiring the Nation Fund reduces the cost of building new transmission networks, so that these lower costs can flow to electricity consumers. Discounted consumer asset finance, backed by the CEFC, is playing its part in EV sales climbing to record levels this year as Australians feel the impact of the Middle East fuel shock. Using concessional CEFC finance, farmers who are working hard to reduce emissions and sequester carbon on their properties are able to access discounted loans to invest in this work. We have committed \$535 million through the Household Energy Upgrades Fund since its inception, supporting more than \$1 billion in discounted lending programs for Australian households. HEUF customers are saving up to 85 per cent on energy bills installing solar, batteries and energy efficiency technologies. Again, our work can be found in so many diverse places and for many different Australians.

First Nations collaborations

This year saw two landmark, First Nations-led transactions, that we hope will provide a template for further collaborations with Traditional Owners around Australia.

Through our investment alongside River Capital, the CEFC is supporting a First Nations-led plantation forestry initiative in the Tiwi Islands, owned by the Tiwi Plantations Corporation, to generate high-integrity Australian Carbon Credit Units and long-term timber production, while creating economic participation as well as training and employment opportunities for the Tiwi community. We have also committed capital through Bank Australia to support the Nari Nari Tribal Council in restoring The Great Cumbung, one of Australia's most significant freshwater wetland systems, strengthening Indigenous leadership in land and water management while delivering measurable carbon sequestration and long-term biodiversity benefits. Together, these investments demonstrate the potential for CEFC capital to support Traditional Owner-led projects that deliver climate, nature and economic outcomes for generations to come.

Reflecting on the past decade

In my decade at the CEFC, I have seen so many groundbreaking transactions as well as watched the CEFC's leadership influence the many sectors where we work including energy, property, agriculture, alternative fuels and transport. It is difficult to pick out any single deal or milestone as there are so many. Across the clean energy sector, I have seen much progress that continues to provide me with hope that we can deliver on Australia's energy transition. Renewables now supply almost half of the electricity generated in the National Electricity Market, up from around 15 per cent a decade ago. We continue to lead the world in distributed energy penetration and related technologies: 1 in 3 homes has solar panels, and the Cheaper Home Batteries program has seen more than half a million batteries installed.

I should also say that in my time, one of the most satisfying parts of the job has been working with the passionate and talented team at the CEFC who never fail to impress me with their technical skills, creativity and sheer determination. I will miss them very much.

Our appreciation and thanks

As we reflect on the CEFC's 2025–26 performance, we acknowledge with gratitude the many stakeholders whose support and collaboration continue to underpin our work. Our achievements this year as in prior years, reflect the shared efforts of our co-investors, industry partners and portfolio companies.

We are grateful for the ongoing support of the Australian Government, including the leadership of our responsible ministers, the Hon Chris Bowen MP and Senator the Hon Katy Gallagher, and the contribution of relevant government agencies.

Our progress is also strengthened by the governance and guidance of the CEFC Board, led by Chair Steven Skala AO. I would like to thank Steven and the Board for their unwavering support over many years.

As I sign off on my final Annual Report, I extend my heartfelt thanks to everyone who has been a part of my journey at the CEFC. It has truly been an honour and a privilege to lead the CEFC and I hope to stay involved where I can in Australia's clean energy transition and its drive to net zero.



Ian Learmonth
Chief Executive Officer, CEFC

Performance





The Australian Government has allocated more than \$33 billion in capital to the CEFC, to be invested across a range of priority policy areas.

Investment activity

Rewiring the Nation Fund	12
General Portfolio	14
Renewable energy	16
Natural capital	17
Household Energy Upgrades Fund	18
Powering Australia Technology Fund	19
Advancing Hydrogen Fund	21
Clean Energy Innovation Fund	21

How we invest

Investment outcomes	22
Portfolio outcomes	23
Financial outcomes 2025–26	24
Annual Performance Statements	26

Investment activity

Rewiring the Nation Fund

Investment focus

The Rewiring the Nation (RTN) Fund is driving the buildout of a modern grid for more affordable, cleaner energy. As Australia retires its coal-fired generators, renewable energy, connected by transmission and distribution, firmed with storage, and backed up by gas, remains the lowest-cost pathway. The nation needs a modern grid to support this solution.

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

Year in review

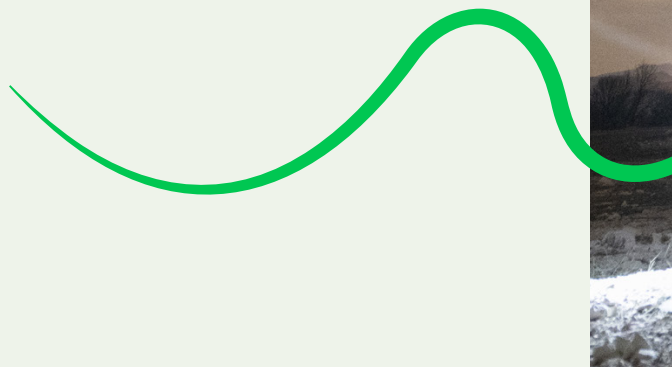
In 2025-26, CEFC investment commitments of up to \$7.2 billion through the RTN Fund marked a step change in scale, mobilising significant additional capital and supporting projects with enduring benefits for Australia's energy grid.

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. RTN Fund support is significantly reducing the impact of network charges for consumers. Across RTN Fund projects that reached financial close in 2025-26, the incremental network charges associated with these critical projects are forecast to reduce, on average, by over 50 per cent in the first five years.

7.45 GW

RTN Fund investments

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. Since inception, the cumulative transfer capacity for RTN Fund investments that have reached financial close is 7.45 GW. These investments are helping to unlock renewable generation, supporting grid reliability and security, while lowering costs to consumers.





Transaction highlights 2025–26

\$3.8b

CEFC commitment

Marinus Link

The CEFC made its largest investment commitment to date, with an expected \$3.8 billion in long-term concessional debt finance, to deliver Stage 1 of Marinus Link. The 750 MW undersea and underground electricity interconnector will connect North West Tasmania with the Latrobe Valley in Victoria, enabling two-way energy flows between Tasmania and the mainland. By linking Tasmania's deep hydro and wind resources with renewable generation and demand across Victoria and New South Wales, Marinus Link will help improve electricity reliability, strengthen system resilience and support the transition to a cleaner, lower cost grid.

The CEFC's role has been critical to making this nationally significant project more affordable for consumers. The CEFC structured its finance to lower project borrowing costs, which in turn lowers overall project costs and reduces the impact on energy bills. The CEFC's long-term concessional finance, along with low-returning equity from the government shareholders, is expected to deliver \$900 million in benefits to Tasmanian and Victorian electricity consumers during the first five years of the project's operation. It means that the concessional finance will reduce the impact of transmission-related consumer costs by 45 per cent over this period.

\$1.2b

CEFC commitment

North West Transmission Developments

The CEFC committed up to \$1.2 billion to support Stage 1 of TasNetworks' North West Transmission Developments (NWTD) project. NWTD is a critical part of Project Marinus, providing the Tasmanian transmission infrastructure required to connect Marinus Link to Tasmania's electricity network. The project will increase the transfer capacity of more than 130 kilometres of transmission infrastructure, including new and upgraded substations and grid assets needed to manage power flows, maintain system stability and integrate renewable and dispatchable generation into the National Electricity Market.

The CEFC's finance will deliver a clear and measurable consumer benefit. CEFC's low-cost, long-term finance, 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.

Investment activity continued

General Portfolio

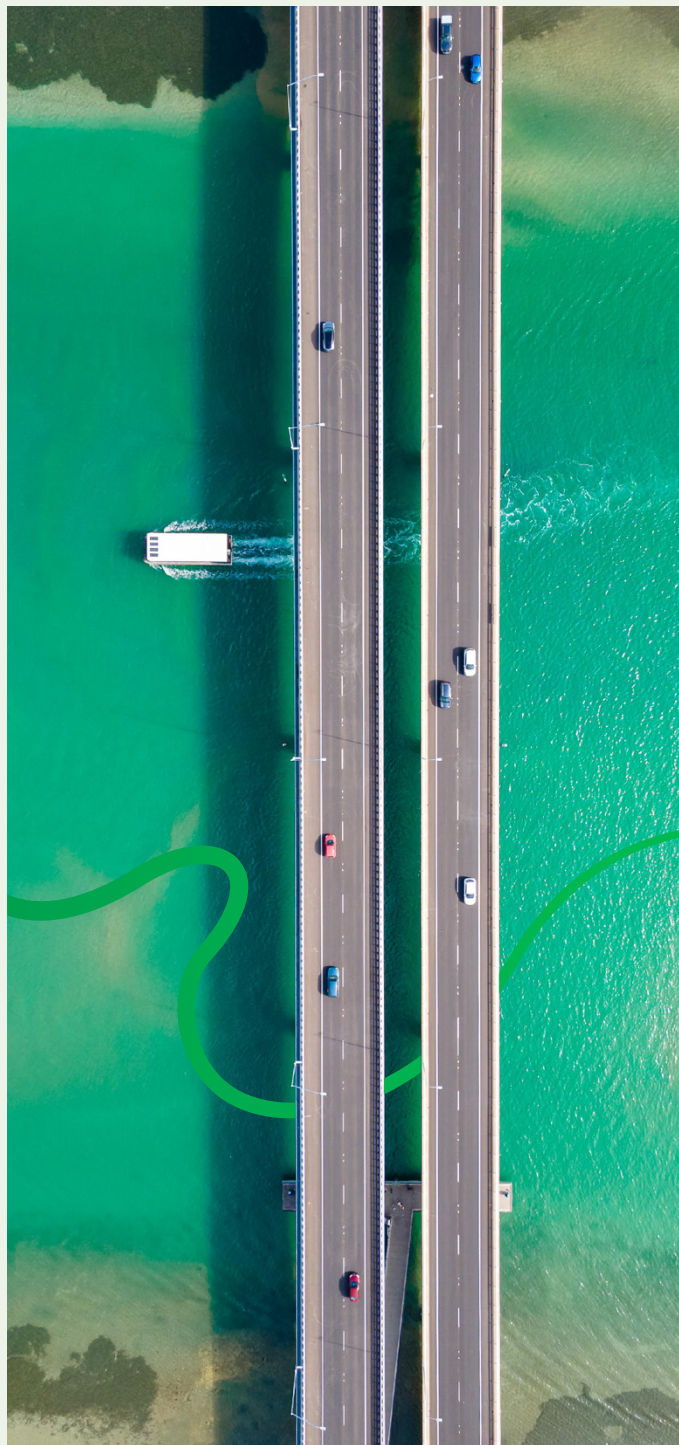
Investment focus

The General Portfolio targets economy-wide investments including for renewable energy generation and storage, property, infrastructure, natural capital, electric vehicles, small-scale asset finance, and green and sustainability-linked loans. The General Portfolio refers to those CEFC investment commitments made outside the RTN Fund and Specialised Investment Funds.

Year in review

The General Portfolio supports a diverse range of investments, reflecting its role as an important source of CEFC finance for a broad range of sectors seeking to decarbonise and target net zero. The portfolio targets areas with strong emissions reduction potential, addressing market gaps and consumer cost pressures, investing where private sector finance is absent, constrained or able to be crowded in through CEFC participation.

Commitments through the General Portfolio also seek to lift broader market ambition with respect to net zero goals, by demonstrating the dual financial and emissions benefits. In 2025-26, this included multiple transactions in the transport sector. As more of Australia is powered by renewable electricity, transport becomes a relatively larger contributor to national emissions, making the shift to electric passenger, commercial and heavy vehicles increasingly important. Through targeted finance, the CEFC is helping boost the number of electric vehicles on Australian roads while supporting lower-cost pathways for consumers, businesses and fleet operators. Lifetime commitments through the General Portfolio were \$16 billion to 30 June 2026.



Transaction highlights 2025–26

\$73m

CEFC commitment

Infrastructure transition fund

The CEFC committed \$73 million to QIC Global Infrastructure Fund II, supporting investment in infrastructure assets that can help accelerate the net zero transition. The fund targets opportunities including smart metering, transport decarbonisation and renewable energy generation, with a focus on reducing emissions across essential infrastructure sectors.

\$125m

CEFC commitment

Growth opportunities fund

The CEFC made a cornerstone commitment of up to \$125 million to the Australian Ethical Growth Opportunities Fund, established through the transfer of selected CEFC investments. This is an innovative capital recycling strategy for the CEFC that will free up capital for reinvestment. The new fund, available to institutional and wholesale investors, is focused on renewable energy, infrastructure, natural capital and climate technology assets, helping attract additional private capital to economy-wide decarbonisation opportunities.

\$60m

CEFC commitment

Electric vehicle finance

The CEFC committed up to \$60 million to Hyundai Capital Australia, the finance arm of Hyundai Motor Group, to reduce the upfront cost of electric vehicle

ownership for Australian households, small businesses and fleets. The finance will support discounted rates for eligible Hyundai and Kia electric vehicles, helping make cleaner transport more affordable while supporting the integration of vehicle-to-grid enabled models into the electricity system.

\$50m

CEFC commitment

Electric vehicle finance

The CEFC committed \$50 million to Volkswagen Financial Services Australia to support discounted finance for eligible new and used electric vehicles across multiple brands. The program is designed to reduce finance costs for Australian households and local businesses, including consumer loans for passenger EVs and commercial loans for light commercial electric vehicles, while supporting greater EV model availability and future vehicle-to-grid integration.

\$70m

CEFC commitment

Decarbonising heavy vehicles

The CEFC committed \$70 million to Volvo Group to accelerate the electrification of Australia's trucking fleet by reducing the cost of medium- and heavy-duty battery electric trucks. The finance package supports discounted leasing for eligible Volvo customers, EV charging infrastructure and a residual value support mechanism to reduce operating lease costs and support future vehicle values, thereby narrowing the total cost of ownership gap with internal combustion engine vehicles.

\$50m

CEFC commitment

Student housing electrification

The CEFC committed \$50 million to Scape Australia, by The Living Company, through the Scape Core Fund to accelerate electrification across its portfolio of purpose-built student accommodation. The investment will support the removal of gas infrastructure from up to 20 residential buildings across Sydney, Melbourne, Brisbane and Adelaide, while advancing energy performance, behind-the-meter load shifting and higher decarbonisation standards for existing residential buildings.

\$22m

CEFC commitment

Last-mile electric truck deliveries

The CEFC committed up to \$22 million to electric fleet specialist Zenobē Australia to support the large-scale deployment of up to 148 battery electric trucks for Woolworths last-mile grocery deliveries across NSW, Victoria, Queensland, Western Australia and South Australia. The 2026 commitment builds on an earlier CEFC investment supporting 60 Zenobē-owned battery electric trucks leased to Woolworths in NSW and Victoria, extending the Electric Vehicle as-a-Service model to help address upfront cost, leasing and operational barriers to heavy fleet electrification. This builds on our \$24.5 million debt commitment in 2021 with Zenobē to fund Australia's first large-scale electric bus deployment of 40 buses and associated charging infrastructure in Sydney.

Investment activity continued

Renewable energy

Investment focus

Since we began investing, the CEFC has played a leading role in financing Australia's clean energy transition, supporting the development of large-scale renewables across the economy, as well as energy storage and smaller-scale renewables.

Year in review

In 2025–26, the CEFC committed more than \$340 million to large-scale renewable energy projects, representing an additional 1.2 GW of renewable energy and 3,000 GWh capacity added to the grid.

New generation investment continues to draw on the CEFC's distinctive risk and return appetite to help bring projects forward, including by working with public and private stakeholders on emerging financing models.

Transaction highlight 2025–26

\$147m

CEFC commitment

Wind generation

A \$147 million CEFC commitment to Aula Energy is accelerating development of the 256.2 MW Carmody's Hill Wind Farm in South Australia, one of the first Capacity Investment Scheme-backed wind farms to reach notice to proceed.

Located 180 km north of Adelaide, the 42-turbine project is expected to produce enough energy to power more than 195,000 South Australian homes as well as supporting up to 200 jobs during construction. The wind farm will connect to the existing 275 kV Davenport to Brinkworth transmission line, helping support South Australia's clean energy ambitions.

Market context

The Australian Energy Market Operator (AEMO) published the final 2026 Integrated System Plan (ISP) for the National Electricity Market (NEM) on 25 June 2026. The Plan reaffirms that *"renewable energy, connected by transmission and distribution, firmed with storage and backed up by gas, presents the least-cost way to supply secure and reliable electricity to consumers through to 2050"*.

Accelerating renewable energy remains a key priority for Australia, noting, among other things, strong demand for powering data centres. While a substantial renewable development pipeline exists, only around three quarters of the generation capacity required by 2030 is currently progressing, with an estimated 9 GW shortfall in wind generation. This reinforces the importance of the CEFC focusing on wind investment and addressing barriers to deployment. The challenge is not a lack of projects; it's closing the funding gap between project costs, available revenues and commercial financing capacity to create bankable structures. While battery projects are moving ahead of expectations, storage alone cannot close the supply gap, highlighting that more renewable generation is needed for rising demand. The CEFC's role in this environment is clear: provide targeted intervention where the market cannot close the financing gap independently and maintain discipline in the application of concessional capital.

Natural capital

Investment focus

Australia's natural capital – our land, soils, water, air and biodiversity – can play a crucial role in decarbonisation. The CEFC is working to unlock capital, harness new technologies and pioneer multi-use approaches to land and agriculture in order to protect nature and sequester carbon. By investing in natural capital, we can ensure the adaptability and competitiveness of one of our most important export sectors – agriculture.

Year in review

The CEFC committed an additional \$250 million to natural capital transactions in 2025–26, taking lifetime commitments to \$925 million.

Two of these transactions were groundbreaking First Nations-led projects. The first is a plantation forestry project in the Tiwi Islands that will produce hardwood timber and high-integrity Australian Carbon Credit Units (ACCUs). Backed by a CEFC commitment of up to \$40 million alongside River Capital, the project is expected to plant 30,000 hectares of native *Eucalyptus pellita* and create training and employment opportunities for the Tiwi community.

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. The CEFC commitment of up to \$15 million through Bank Australia supports the acquisition of Juanbung and Boyong Stations, covering 34,000 hectares, with restoration works focused on carbon sequestration, biodiversity outcomes and long-term stewardship of Country.

In another landmark project, the CEFC invested up to \$69 million as part of a \$142 million sustainable forestry and natural capital platform with Aviva Investors and Gresham House. In the reporting period, the platform contracted to acquire Rushy Lagoon in North East Tasmania to combine commercial softwood plantations on low-productive land, with ecological restoration, sustainable grazing and protection of the Lower Ringarooma River Ramsar wetland. This will support local jobs, Tasmanian sawmills, timber supply for Australian housing and the generation of high-integrity ACCUs. The transaction was completed in August 2026.

In November 2025, we held our first Natural Capital Forum, bringing together stakeholders from across the sector to explore how natural capital can support Australia's net zero transition while strengthening the resilience and productivity of land-based industries. The event featured a keynote from Climate Change Authority Chair Matt Kean, alongside discussions on the role of institutional capital, carbon markets and emerging nature markets in unlocking investment. The forum reinforced the CEFC's role in supporting high-integrity natural capital projects that can deliver improved climate, environmental and community outcomes.

Investment activity continued

Household Energy Upgrades Fund

Investment focus

The CEFC is working to make it cheaper for households to make home energy upgrades by crowding in private capital through its specialist \$1 billion CEFC Household Energy Upgrades Fund™ (HEUF).

Year in review

Australian homes and businesses are enthusiastically adopting solar and batteries. Through the HEUF, the CEFC is working to extend the benefits of solar plus battery storage to more households. The CEFC made two new and one follow-on investment commitments totalling \$170 million in the HEUF during the reporting year, with a total project value of close to \$350 million.

The HEUF is empowering Australians to take charge of their energy use and reduce costs, with total household savings through HEUF finance estimated to be 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.

To 30 June 2026, the CEFC had committed \$535 million over the lifetime of 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.

Transaction highlights 2025-26

\$20m

CEFC finance

Plico solar, battery and Virtual Power Plant services

Subscription plans:

- Discounted weekly instalments for solar, battery and Virtual Power Plant services
- Support for households to reduce energy costs, improve energy independence and access Virtual Power Plant rewards
- Plico estimates households accessing its solar, battery and VPP offerings could save more than \$1,100 annually on energy costs, with CEFC backing providing between \$130 and \$240 in additional annual savings over 10 years.

\$40m

CEFC finance

Brighte HEUF Discounted Green Loans

- Discounted green loans for eligible Australian households
- Supports solar and battery systems, energy-efficient heating and cooling, insulation and EV chargers
- Loans available from \$2,000 to \$55,000, with terms ranging from two to ten years and flexible repayment options
- Supports the rollout of up to \$150 million of consumer energy resources across Australia.

1. Based on the number of HEUF loans as of March 2026.





Powering Australia Technology Fund

Investment focus

Through the Powering Australia Technology Fund (PATF), the CEFC directly invests in innovative, high-growth Australian businesses and companies. The PATF also makes indirect investments, via funds managed by private equity, venture capital and other specialist fund managers.

Year in review

The CEFC closed five new and three follow-on PATF transactions in the reporting year, committing \$76.3 million into climate tech opportunities.

This year we hosted our second Growth Capital Investor Forum, which was well-attended by growth capital, venture capital and private equity investors and advisors focused on investment opportunities in the energy transition and decarbonisation. The event program underscored the scale of the opportunity for businesses delivering practical decarbonisation solutions, and the important role of experienced, patient capital in helping them move from early traction to broader market adoption. The PATF aims to support their next stage of growth by backing ambitious companies with capital, networks and sector expertise, while helping crowd in private investment.

Investment activity continued

Powering Australia Technology Fund

Transaction highlights 2025-26



\$7m

CEFC commitment

Smarter, cleaner farming

The CEFC has committed \$7 million to SwarmFarm Robotics to help the Queensland-based agtech company scale up production of its autonomous farm robots.

The CEFC investment, part of SwarmFarm Robotics' Series B capital raise, will accelerate the rollout of lightweight self-driving SwarmBots designed to help reduce herbicide use by up to 95 per cent and cut fuel-related emissions by up to 35 per cent. Designed and manufactured in regional Queensland, the technology supports precision weed control and no-till farming, helping farmers reduce emissions, lower chemical use and minimise soil disturbance.

\$10m

CEFC commitment

Electric refrigeration for cold chains

The CEFC has committed up to \$10 million to help accelerate the introduction of Sunswap's fully electric, solar-assisted transport refrigeration units across Australian retail and logistics fleets.

The investment will support the deployment of more than 100 Sunswap Endurance units in Australia, replacing diesel-powered refrigeration commonly fitted to refrigerated trailers. Distributed locally by Protran Solutions, the technology has demonstrated strong performance in Australian conditions, including a 1,671 km Sydney to Brisbane return-trip trial completed with over 60 per cent battery capacity still available and enroute charging exclusively by the system's roof-mounted solar panels.

\$20m

CEFC commitment

Decarbonising hard-to-abate industries

The CEFC has made a \$20 million cornerstone investment in the IP Group Climate Catalyst Fund to back emerging Australian climate technologies targeting hard-to-abate industries.

The Climate Catalyst Fund, launched with IP Group Australia, will target Seed and Series A investments in breakthrough technologies across industrial processes, mineral processing and supply chains, heavy transport, energy-efficient AI and data centres, agriculture and land use, and dispatchable energy and grid balancing. The CEFC investment is designed to help mobilise private capital into technologies that can support large-scale industrial decarbonisation.

\$21m

CEFC commitment

Solar and battery solutions for business

The CEFC has invested alongside Five V Capital in Agile Energy, supporting the Australian company to accelerate the rollout of behind-the-meter solar and battery solutions for commercial and industrial customers.

The strategic equity investment, through the Powering Australia Technology Fund, will support Agile Energy's next phase of growth as it scales to deliver more than 200 MW of solar and battery projects under long-term power purchase agreements. The company has already deployed more than 50 MW of clean energy assets nationally across sectors including manufacturing, retail, aged care, healthcare, logistics and property.

Advancing Hydrogen Fund

Investment focus

The Advancing Hydrogen Fund (AHF) was created to support the growth of a clean, innovative, safe and competitive renewable hydrogen industry. It focuses on projects aligned to the National Hydrogen Strategy or where there is financial support from state or territory governments.

Despite a global recalibration of the role of green hydrogen, it remains an important part of Australia's 2050 net-zero energy mix, given the ongoing challenges of decarbonising hard-to-abate sectors. The *Future Made in Australia Act 2024* and the rollout of associated measures, including the Hydrogen Headstart program, are important foundations for the sector's development in Australia.

Hydrogen Headstart is an Australian Government-backed program designed to support the development of a large-scale renewable hydrogen industry. In 2026, Round 2 of Hydrogen Headstart shortlisted seven projects that are eligible to receive support. The shortlisted projects focus on end uses in hard-to-abate sectors such as fuels, chemicals and industrial processing, where clean hydrogen is a key decarbonisation feedstock. The CEFC will consider opportunities to provide concessional financing to address the commercial and economic challenges these projects face. Our involvement has the potential to be strategically significant in bridging the funding gap for first-mover projects and catalysing broader private sector investment.

Clean Energy Innovation Fund

Year in review

The Clean Energy Innovation Fund (CEIF), a specialist climate tech venture capital investor, focuses on emerging technologies and businesses with the potential for growth. It is managed by Virescent Ventures, one of Australia's largest and most active dedicated climate tech venture capital fund manager.

In the reporting year, CEIF investment commitments were all follow-on investments in the existing portfolio, with the CEIF having reached its notional investment capacity of up to \$200 million. The three follow-on transactions, in leading Australian innovators Xefco (waterless textile dyeing), Renewable Metals (lithium recycling) and MAKO (drag reducing surfaces), attracted strong investor interest from the broader market. The CEIF is now fully committed and applied, with future opportunities funded through the Powering Australia Technology Fund.

There was strong growth in overall Australian venture capital investment in 2025–26. Climate tech remained an area of focus, though notably slower in early 2026. Capital concentrated in fewer, later-stage companies with proven demand, strong unit economics and commercial traction, with energy remaining an important sub-sector. Global shifts towards energy security, supply chain resilience and onshoring, coupled with rapidly growing AI and data centre power demand, continue to provide structural tailwinds for the sector, despite subdued participation from generalist investors.

How we invest

Investment outcomes

As a specialist investor, the CEFC collaborates with investors, innovators and industry leaders to spur substantial investment where it will have the greatest impact on accelerating Australia's transition to net zero emissions.

Small-scale asset finance

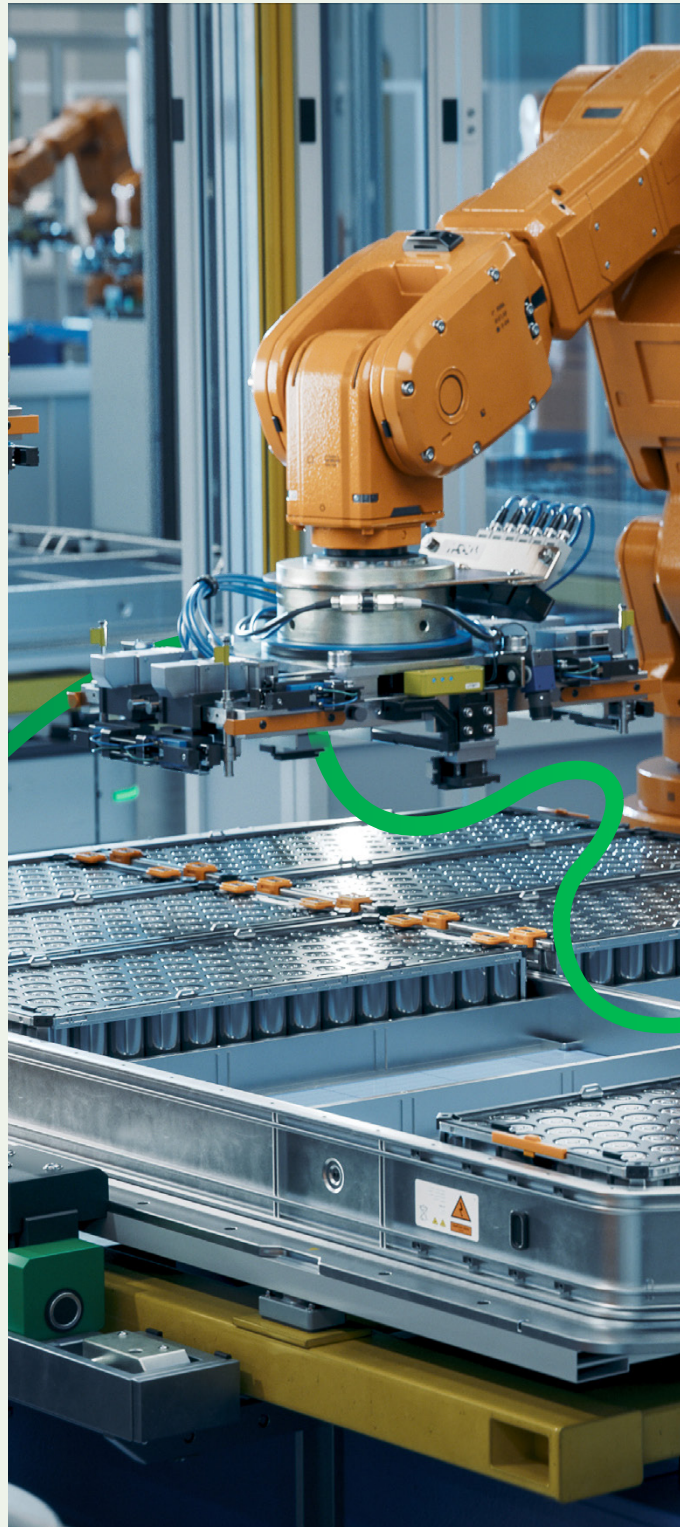
Our innovative approach to small-scale asset finance programs, delivered via established co-financiers, makes CEFC finance more readily available to a broad range of consumers Australia-wide. With an estimated typical loan value of \$20,000–\$30,000, we continue to deliver green finance for smaller-scale projects in agriculture, business, industry, property and electric vehicles. In 2025–26, \$530 million in CEFC and third-party capital helped finance more than 15,000 smaller-scale asset finance projects. The breadth and depth of this program is reflected in more than 116,000 individual projects financed since we began investing, representing \$4 billion in CEFC and third-party capital.

EV adoption

The CEFC played an important role in electrifying Australia's passenger and commercial vehicles, 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 our co-finance programs.

Investor confidence

The CEFC maintained its role as a specialist investor in the reporting year, using capital to close market gaps, shape up the investment case and build investor confidence. Across our portfolio, we maintain a preferred minimum investment of \$20 million per transaction, while climate tech investments are usually smaller, reflecting their entrepreneurial nature.



Portfolio outcomes

The CEFC on-risk portfolio was \$18.7 billion at 30 June 2026, compared with \$11.9 billion at 30 June 2025, reflecting significant additional allocation of capital, partially offset by repayments and returns of capital on prior year investment commitments.



Growth

The 11 follow-on transactions closed in the 2025–26 year represented an additional \$153.6 million in CEFC capital.

Through follow-on commitments, the CEFC is able to deepen its involvement in existing transactions, helping advance large-scale assets, support investee companies as they mature, and broaden the reach of established investment platforms. These additional commitments can also extend smaller-scale asset finance programs where consumer demand supports further deployment.



Composition

The CEFC continued to offer tailored investment solutions to accelerate investment in 2025–26.

These were in the form of direct debt or equity, managed funds, and small-scale asset finance delivered via established co-financiers. Of the \$18.7 billion in the on-risk portfolio in the reporting year, \$15.5 billion was in the form of debt, with the balance of \$3.2 billion in equity. In the portfolio, \$13.8 billion is invested in renewables, \$2.7 billion in Energy Efficiency and \$2.2 billion in Low Emissions Technology.



Performance

Overall, the CEFC portfolio performed well through the reporting year, achieving notable investment milestones.

Successful refinancings across our renewables and property portfolios had the twin benefits of drawing new capital into derisked net zero-aligned activities while also freeing up CEFC capital for ongoing investment.



Impairment provisions

As a specialist investor, the CEFC takes a strategic approach to risk, balancing the need to support innovation with a prudent investment framework.

CEFC impairment provisions reached \$262.4 million in 2025–26, compared with \$199.6 million in 2024–25, reflecting more scale and complexity of our on-risk portfolio and slightly more weighting towards downside risk in the current economic environment. This includes specific provisions for two loans on top of our statistical provisions calculated under AASB 9.

How we invest continued

Financial outcomes 2025–26

Investing on behalf of the Australian Government, the CEFC recognises its important role as a responsible investor and caretaker of taxpayer funds.

Investment approach

The CEFC applies commercial rigour to our investments and business operations, guided by our investment policies and prudent risk management. In the General Portfolio, we seek to achieve a positive return for taxpayers over time. The RTN Fund has a lower Portfolio Rate of Return target, reflecting its purpose of accelerating delivery of transmission or grid-related projects, and providing significant concessional finance to reduce transition costs for consumers. The CEFC does not provide grants and invests only in activities and technologies permitted under the CEFC Act, Investment Mandate and investment policies.

Capital deployed

From a CEFC perspective, our goal is to heighten the impact of our capital by ensuring that project proponents and co-investors have the necessary capital to progress their emissions reduction ambitions.

Throughout the reporting year, the CEFC maintained a sustained pace of capital deployment: \$2 billion for the 12 months to 30 June 2026. Lifetime deployment was \$16.6 billion.

Concessional

The CEFC has the capacity to provide concessional finance where it is required to advance investment and policy objectives.

Concessional finance is a loan made on more favourable terms than the borrower could otherwise obtain in the market. The provision of concessional finance in the 2025–26 year, predominantly related to new transactions via the RTN Fund.

Concessional financing in the RTN Fund triggered a large upfront, non-cash expense and a liability on the balance sheet of approximately \$3.3 billion in 2025–26. This liability will amortise to \$nil over the life of the projects and is not expected to be required to be settled in cash. Concessional is directly related to the timing and scale of individual investment commitments. As RTN projects are larger in scale, longer in tenor, but fewer in number, concessional impacts on our financial results will fluctuate significantly between reporting periods, reflecting the evolving composition of the CEFC investment portfolio.

Capital returned

The CEFC targets returns in line with the requirements of our Investment Mandate while efficiently managing our invested capital.

This approach is reflected in the \$7.8 billion received in lifetime repayments and returns of capital from CEFC investments to 30 June 2026, including \$1.8 billion in the most recent 12 months. This capital is available for reinvestment.





Operating result

Given that large, non-cash concessional charges can distort the underlying financial performance of the Corporation, we report a supplementary normalised operating result (as set out in Figure 1).

The normalised operating surplus for the 2025–26 year was \$153.7 million, compared with a normalised operating surplus of \$231.9 million in 2024–25. The main reason for the lower year-on-year operating result was a write-down in the value of certain early-stage investments in the Clean Energy Innovation Fund, compared with a write-up of \$19.2 million in 2024–25, and partly offset by a \$17.6 million increase in own-source revenue in 2025–26.

Segmented results

For financial reporting purposes, we segment our results by General Portfolio, Rewiring the Nation Fund and Specialised Investment Funds which encompasses the HEUF and the higher risk funds of CEIF, PATF and AHF.

+ For information on the targets and rates of return for each of the RTN Fund, General Portfolio and four Specialised Investment Funds refer to section 3: Finance.

Figure 1: Segmented results

Surplus/(Loss) from operations (m)	2025–26		2024–25	
	Statutory	Normalised ¹	Statutory	Normalised
General Portfolio	251.5	247.7	255.9	229.9
Rewiring the Nation Fund	(3,213.7)	(4.3)	144.5	(0.8)
Specialised Investment Funds	(98.7)	(89.7)	7.9	2.8
Total CEFC	(3,061.0)	153.7	408.4	231.9

1. A reconciliation of our operating loss from operations to our normalised surplus from operations is included in Figure 15 on page 66.

Annual Performance Statements

Annual Performance Statements

The Board, as the accountable authority of the CEFC, presents the 2025–26 Annual Performance Statements, as required under section 39(1)(a) of the PGPA Act. In the opinion of the Board, these Annual Performance Statements accurately present the CEFC performance in the reporting period and comply with section 39(2) of the PGPA Act (section 16F of the PGPA Rule).

Purpose

The purpose of the CEFC is set out in section 3 of the CEFC Act:



... to facilitate increased flows of finance into the clean energy sector and to facilitate the achievement of Australia's greenhouse gas emissions reduction targets."

We deliver our purpose by:



Investing

in renewable energy, energy efficiency and low emissions technologies targeting the respective benchmark returns for the investment portfolios and funds within the prescribed risk appetite set out in the *Clean Energy Finance Corporation Investment Mandate Direction 2023*.



Collaborating

with industry, stakeholders and government to further support national decarbonisation objectives, including building market awareness about decarbonisation opportunities and contributing to the development and use of relevant standards and transparency.





Board oversight

Performance of the organisation is evaluated by the non-executive Board, assisted by:

The People and Culture Committee: which reviews and recommends annual performance indicators and targets.

The Audit and Risk Committee: which receives and considers performance updates on a quarterly basis.

Board evaluation

At the end of each financial year, the People and Culture Committee reviews the organisation's performance and makes recommendations to the Board, which determines the overall achievement level.

The performance evaluation is based on the indicators and targets contained within the Corporate Plan. Measures from the Portfolio Budget Statements (PBS) do not form part of the Board evaluation process, since the PBS was formulated ahead of the development of the Corporate Plan. However, the PBS indicators not included in the Corporate Plan form part of these Annual Performance Statements and are accounted for in *Appendix C*.

The Board assessed the organisation's overall performance for 2025–26 as 'exceeded', with six indicators exceeded, and one achieved.

Board performance classification

- | | | |
|--------------|---------|--|
| Not achieved | ○ | Performance was below the target range |
| Achieved | → | Performance was within the target range |
| Exceeded | ↑ | Performance was above the target range |

Performance objectives

Key activity area

Deploy capital across our investment portfolio and funds to drive emissions reductions.

1. Capital

Total capital committed (excluding RTN Fund).

Source: Corporate Plan and Portfolio Budget Statements

Achieved

Performance targets and results



Analysis

Total capital committed (excluding the RTN Fund) was \$1.9 billion, being within the target range of \$1.9 billion to \$2.3 billion and slightly ahead of the capital committed in the prior year.

Across the General Portfolio and Specialised Investment Funds, 45 transactions were closed during the year. Commitments made during the year supported renewable energy generation and storage, infrastructure, electric vehicles and natural capital. CEFC also stepped away from proposed commitments where sufficient private sector appetite was evident, helping avoid crowding out private investment.

2. Capacity

Terawatt-hours (TWh) of expected annual output of new capacity unlocked through CEFC finance.

Source: Corporate Plan

Exceeded

Performance targets and results



Analysis

The expected annual output of new capacity unlocked through CEFC financing was 3.0 TWh, exceeding the performance target of 2.3 TWh – 2.8 TWh. This result was an improvement on the prior year result of 1.8 TWh. The strong performance this year was attributable to a higher volume of wind projects financed. Wind generation projects have a higher capacity factor, that produces higher annual output.

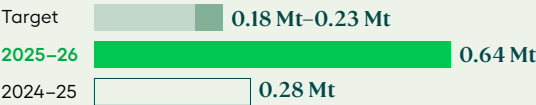
3. Emissions

Mt estimated emissions reductions per annum.

Source: Corporate Plan

↑ Exceeded

Performance targets and results



Analysis

Estimated annual emissions reductions were 0.64 Mt in the 2025–26 year, exceeding the top end of the performance target range of 0.18 Mt – 0.23 Mt. This also compared favourably with the prior year result of 0.28 Mt. The most significant contributors were investments in natural capital assets and renewable generation.

The amount of estimated emissions reduction in each period depends on various factors, including the type of projects financed, the probability and estimated timing of emissions reduction realisation and the prevailing baseline for the relevant activity. In the 2025–26 year, the most significant contributors were natural capital commitments, followed by commitments in the renewables sector.

4. Rewiring the Nation

Delivering the RTN:

Reach contractual close on three RTN Fund projects (This excludes projects that reached commercial commitment in the 2024–25 year).

Source: Corporate Plan

↑ Exceeded

Performance targets and results



Analysis

Three RTN Fund projects reached contractual close during the year, including two integrated system plan projects and one territory project, supporting lower-cost infrastructure and the supply of reliable and secure energy.

In addition to the projects counted in the 2025–26 performance year, two further projects reached contractual close, reflecting continued progress from the commitments made in 2024–25. These two projects were not included in this performance outcome as they were included as commercially committed in the prior year.

Performance objectives continued

Key activity area

Deploy capital across our investment portfolio and funds to drive emissions reductions.

5. Operating result

Adjusted operating result.*

Source: Corporate Plan

↑ Exceeded

Performance targets and results

Target		\$220m–\$240m
2025–26		\$306m
2024–25		\$310m

Analysis

The adjusted operating result of \$306 million was above the performance target range of \$220 million to \$240 million. The better performance against the performance target range is predominantly attributable to \$98 million of higher fair value adjustments, coupled with \$14 million of lower operating expenses that were offset in part by \$34 million of lower revenues.

6. Capital recycling

Development and demonstration of the first phase of a deliberate strategic capital recycling program.

Source: Corporate Plan

↑ Exceeded

Analysis

The Board considered the 2025–26 performance as exceeded by moving beyond the initial development of the deliberate strategic capital recycling program to demonstrating practical application through tangible capital recycling, market engagement and portfolio optimisation. Over the period, CEFC established a capital management strategy and forecasting capability, delivered a Capital Optimisation Strategy to the Australian Government, and progressed capital recycling and restructuring initiatives which support capital redeployment and preservation of capital within the General Portfolio. For example, the CEFC cornerstoned a new Australian Ethical fund by transferring selected CEFC equity investments into it, thereby freeing up capital for future opportunities.

Moreover, the Board considered CEFC engagement with secondary market buyers to support market development and build liquidity pathways for future readiness along with the execution of two important recycling transactions during the year.

* Note: Adjusted operating result = Operating Result adjusted for (1) concessionality, (2) loan modification charges, (3) bond revaluations, (4) Innovation Fund revaluations, (5) statistical impairment provision raised on RTN transactions where there is a material timing difference between income recognition and the provision raising, (6) gains and losses on asset disposals undertaken for strategic capital recycling purposes, (7) interest on bank accounts and (8) administrative funding from government.



Key activity area

Harness CEFC's role as a leader to drive emission reductions beyond our investments.

7. Leadership

Evidence of industry leadership and innovation that positively contributes to Australia's emissions reduction targets.

Source: Corporate Plan and PBS



Exceeded

Analysis

A key role of the CEFC as a leader is to deliver emissions reductions beyond our investment activities. In evaluating 2025–26 performance, the Board considered the Government announcing an additional \$2 billion capital allocation; the recognition of leadership by the Department of Finance in climate disclosure; CEFC being recognised as a Responsible Investment Leader 2026 by the Responsible Investment Association Australasia; and strong independent stakeholder research.

The Board also considered leadership through industry recognition, policy influence and sector capability uplift. CEFC-backed transactions received major awards across natural capital, transmission and smart infrastructure. CEFC and Baringa's data centre report informed government expectations for data centres and AI infrastructure, and its work on low carbon liquid fuels supported the development of the \$1.1 billion Cleaner Fuels Program. The RTN team also contributed to key regulatory submissions and strategic transmission discussions.

Together, these outcomes show CEFC's 2025–26 leadership extended beyond capital deployment to influencing policy settings, shaping market practice and strengthening broader transition capability.

Governance





Prudent oversight of our approach to investment and risk

Governance	
Purpose	34
Board	35
Executive	43
Values and ethics	48
Organisational structure	49
Risk management	52
Legislative and government information	54

Purpose

The object of the CEFC is to “facilitate increased flows of finance into the clean energy sector and to facilitate the achievement of Australia’s greenhouse gas emissions reduction targets”.

Purpose

The CEFC is a corporate Commonwealth entity, established under the *Clean Energy Finance Corporation Act 2012 Cth* (CEFC Act). The CEFC Act sets out the purpose and functions of the CEFC, and establishes arrangements for the Board, CEO and staff.

Approach

As a specialist investor, the CEFC works to fill market gaps and collaborate with other investors, innovators and industry leaders to spur investment where it will have the greatest impact. This requires deep sectoral experience, investment expertise and portfolio strength. Acting within the parameters of the CEFC Act and Investment Mandate directions, the CEFC seeks to anticipate and respond to the environment and market conditions in which we operate. This means retreating where the private sector is operating effectively and stepping up our investment activity to fill market gaps where private sector capital is not present in the volume required. We also play an important role in supporting the economic transition, working with governments, industry, regulators, project sponsors, businesses and private sector financiers to facilitate such investment.

Board

Overview

The CEFC Act and the PGPA Act prescribe the functions, obligations, composition and powers of the Board as the governing body and accountable authority of the CEFC, including its delegation powers and operational matters.

Functions

The Board makes individual investment decisions independently of the Government. The functions of the Board (CEFC Act, s14) are to:

- Decide strategies and policies to be followed by the CEFC
- Ensure the proper, efficient and effective performance of the CEFC's functions
- Perform any other functions conferred on the Board by the CEFC Act.

The Board has power to do all things necessary or convenient to be done for, or in connection with, the performance of these functions.

Governance

The Board recognises the important role of good governance in underpinning the ability of the CEFC to deliver on its purpose. The Board has regard to Australian best practice in determining its approach to corporate governance principles, including practices from public and private sector sources – reflecting the identity of the CEFC as a corporate Commonwealth entity and its investment objectives. In framing the Code of Conduct and Ethics, investment and other policies, the Board seeks to ensure the organisation operates as a careful steward of taxpayer funds, in accordance with the CEFC Act.

In practice, the Board performs its functions in five main ways:

- 1 Setting strategic directions –**
e.g. through the Investment Policies and Corporate Plan
- 2 Setting key corporate policies –**
e.g. risk management, corporate governance, environmental, social and governance, information technology, remuneration and human resources
- 3 Supervising corporate performance –**
e.g. by reviewing employee retention and engagement, business performance and investment performance
- 4 Meeting its reporting obligations –**
e.g. by reporting on investment performance and publishing investment reports and Annual Reports, and by reporting “significant” matters under section 19 of the PGPA Act
- 5 Appointing the CEO –**
(after consultation with the responsible Ministers) and setting and assessing the performance and remuneration of the CEO.

Board continued

Members

The CEFC is governed by an independent Board whose members are jointly appointed by its two responsible Ministers. The Board reports to the Australian Parliament through the responsible Ministers. In November 2025, the CEFC welcomed Dr Kate George to the Board.



Steven Skala AO, Chair

Additional Board Committee responsibilities

RTN Investment Advisory Committee, Chair

Mr Skala has a distinguished career on the boards of public, private, not-for-profit and government organisations, with several decades' experience in law, business, finance and governance. He is a Member of the Foreign Investment Review Board and in September 2024 completed more than 20 years' service as Vice Chairman Australia of Deutsche Bank AG.

Currently, Mr Skala Chairs Partners Legal Solutions, and is a Director of The Centre for Independent Studies, a Member of the Council of Monash University, a Member of the International Council of the Museum of Modern Art (New York), an Honorary Life Governor of the General Sir John Monash Foundation and an Honorary Life Fellow of the Heide Museum of Modern Art.

Prior to 2004, Mr Skala served for more than 20 years as a partner focusing on commercial, corporate and corporate financing law in two leading Australian law firms. He is a former Chairman of Film Australia Ltd, The Island Food Company Ltd, Wilson Group Ltd, Hexima Ltd, the Heide Museum of Modern Art, and the Australian Centre for Contemporary Art. Mr Skala is also a former Acting Chairman and Director of the Australian Broadcasting Corporation, Deputy Chairman of the Walter & Eliza Hall Institute of Medical Research and the General Sir John Monash Foundation, a Director of the Channel Ten Group, Max Capital Group Ltd, the Australian Exhibitions Touring Agency and the Australian Ballet, and a Founding Panel Member of Adara Partners (Australia) Pty Ltd.

Mr Skala holds BA and LLB (Hons) degrees from the University of Queensland and a Bachelor of Civil Law from the University of Oxford. He was appointed an Officer of the Order of Australia in 2010 in recognition of his service to the arts, business and commerce and to the community.

Reappointed 7 August 2022 for five years.



Dr Guy Debelle

Additional Board Committee responsibilities

Audit and Risk Committee, Member

People and Culture Committee, Member

RTN Investment Advisory Committee, Member

Dr Guy Debelle is the Chair of Funds SA, on the Board of Tivan, e61 Institute and Amy's Foundation, an adviser to the Investment Committee of Australian Retirement Trust, Chair of the Advisory Board of Famille Capital and an honorary Professor of Economics at the University of Adelaide. He was co-Chair of the ASFI Taxonomy Technical Experts Group that developed the Sustainable Finance Taxonomy for the Australian economy.

Dr Debelle was the Deputy Governor of the Reserve Bank of Australia (RBA) from 2016 until 2022 and, prior to this, was Assistant Governor (Financial Markets) from 2007 until 2016. Following the RBA, Dr Debelle worked at Fortescue Future Industries as CFO. Dr Debelle has a Bachelor of Economics (Honours) from the University of Adelaide and PhD in Economics from MIT.

Appointed 7 December 2024 for five years.



Dr Kate George

Additional Board Committee responsibilities

People and Culture Committee, Member

RTN Investment Advisory Committee, Member

Dr Kate George is a Putejorra woman from the Murchison-Gascoyne region of Western Australia. Dr George is a distinguished business leader with experience in the public, corporate and community sectors. Dr George has worked extensively across the resources industry, regional and Indigenous business, infrastructure and asset management. Dr George is currently Co-Chair of the First Nations Clean Energy and Climate Change Advisory Committee under the Australian Government Department of Climate Change, Energy, the Environment and Water. Dr George is Principal Consultant at Claypan Services. Dr George was the first Aboriginal student to graduate in law from the Australian National University, the first Aboriginal woman admitted to practise law in Western Australia, and one of the first Aboriginal women to chair an ASX-listed company. Dr George has held senior roles across the corporate and public sectors, including as a ministerial adviser for State and Federal Governments, Board member of the Northern Australian Infrastructure Facility and as Managing Director of PwC's Indigenous Consulting.

Dr George was awarded an Honorary Doctor of Laws from Edith Cowan University in 2019 and is an inaugural inductee into the WA Women's Hall of Fame. She is a Graduate of the Australian Institute of Company Directors.

Appointed 4 November 2025 for five years.



David Jones AM

Additional Board Committee responsibilities

Audit and Risk Committee, Member

RTN Investment Advisory Committee, Member

Mr Jones has more than 30 years' experience in investment markets and has served on numerous private and public boards. Mr Jones is Chair of Regal Partners Global Investments Limited and a Director of Regal Asian Investments Limited and was Chairman of Catalyst Metals Limited until March 2026. Mr Jones is a member of the Investment Committees of Airon Investment Management and EMR Capital.

Mr Jones was previously a Managing Director at CHAMP Private Equity, Executive Director and Country Head of UBS Capital and an Executive with both Macquarie Bank Private Equity and McKinsey & Company. Mr Jones was formerly Chair of the National Museum of Australia, the Derwent Search Advisory Board and the Australian Private Equity and Venture Capital Association. He also served on the board of the Cape York Partnership and as a Director of Regal Partners Limited.

In 2021, Mr Jones was appointed a Member of the Order of Australia for significant service to the museums and galleries sector, and to the community. Mr Jones has a Bachelor of Mechanical Engineering (First Class Honours) from the University of Melbourne and a Master of Business Administration from the Harvard Business School.

Appointed 7 April 2022 for five years.

Board continued

Members



Andrea Slattery

Additional Board Committee responsibilities

People and Culture Committee, Chair

Audit and Risk Committee, Member

RTN Investment Advisory Committee, Member

Andrea Slattery is an experienced Non-Executive Director, Chair and governance leader with more than 30 years of Board and executive experience across financial services, investment, energy transition, infrastructure, government and industry. Ms Slattery brings deep expertise in strategy, capital and investment, culture, audit and risk, people and remuneration, digital and AI, and ESG&S, with a strong record of stewardship through significant commercial and environmental transition.

Ms Slattery's Board experience spans listed, private and government entities, including AMP Limited and AMP Bank, InfraBuild and Argo Global Listed Infrastructure. Ms Slattery is Deputy Chair of the Woomera Prohibited Area Advisory Board, a senior Commonwealth governance appointment. Ms Slattery has chaired Audit, Risk, ESG&S and People & Culture Committees and CEO succession, with extensive bipartisan government and regulatory engagement.

Ms Slattery is President of the Australian Institute of Company Directors in South Australia, a member of the AICD Corporate Governance Committee and ASIC Corporate Governance Consultative Panel, and APAC Co-Chair of Harvard Business School WomenExecs on Boards. Ms Slattery was founding CEO of the SMSF Association.

Ms Slattery holds Bachelor of Accounting and Master of Commerce degrees and is a Fellow of CPA Australia, Chartered Accountants Australia and New Zealand, the AICD and SMSF Association. Her international education spans governance, M&A, risk, digital transformation and ESG&S through Harvard Business School, INSEAD, Columbia, Moody's, MIT Sloan and Global Competent Boards.

Reappointed 1 February 2023 for five years.



Samantha Tough

Additional Board Committee responsibilities

RTN Investment Advisory Committee, Member

Ms Tough combines an executive role at the University of Western Australia with board roles in various industry sectors. Ms Tough is the Pro Vice-Chancellor Industry and Commercial at UWA. Ms Tough's board roles include Chair of Horizon Power, Director of Aurizon Holdings Ltd, Rumin8 Pty Ltd and the WA Innovation Attraction Fund.

Ms Tough's previous board roles include Chair of Retail Energy Market Co, Structerre, Aerison, Southern Cross Goldfields Ltd and Director of Synergy, Saracen Mineral Holdings Ltd, Fluence Corporation Ltd, Mineral Carbonation International Pty Ltd, Cape LLC, Strike Resources Ltd, Murchison Metals Ltd and Ox Mountain Pty Ltd.

Ms Tough's previous executive roles include Woodside Energy, Hardman Resources, Commonwealth Bank and Pilbara Power Project. Ms Tough has a Bachelor of Laws and a Bachelor of Jurisprudence from the University of Western Australia and is a Fellow of the Australian Institute of Company Directors.

Reappointed 5 October 2022 for five years.



Nicola Wakefield Evans AM

Additional Board Committee responsibilities

Audit and Risk Committee, Chair

RTN Investment Advisory Committee, Member

Ms Wakefield Evans has more than 40 years' experience as a corporate finance lawyer, business leader and Non-Executive Director in Australia and internationally. She was a partner at Mallesons for more than 20 years and also held several key management roles.

Ms Wakefield Evans is currently a Non-Executive Director of Sonic Healthcare. She is also a guardian of the Future Fund, the Chair of MetLife Insurance Australia, a member of the Takeovers Panel, the ASX Advisory Group on Corporate Governance and on the boards of the University of NSW Foundation and the Goodes O'Loughlin (GO) Foundation. She was previously a Non-Executive Director of Viva Energy, Lendlease Corporation, Macquarie Group Limited and Macquarie Bank Limited, Chief Executive Women, the national board of the Australian Institute of Company Directors, BUPA, Toll Holdings, Asialink and Asialink Business.

As a partner of Mallesons, Ms Wakefield Evans held a variety of management positions, including responsibility for the development and growth of the international practice and the Hong Kong, China and London offices.

Ms Wakefield Evans' key areas of industry expertise include resources and energy, infrastructure, airports, financial services, healthcare, technology and media and communications. Ms Wakefield Evans holds a Bachelor of Jurisprudence and a Bachelor of Laws from the University of New South Wales and is a qualified lawyer in Australia, Hong Kong and the United Kingdom. She was made a Member of the Order of Australia for significant service to business, law and diversity in January 2023.

Reappointed 5 October 2022 for five years.

Board continued

Committees

Board effectiveness is enhanced through the work of three committees: the Audit and Risk Committee; the People and Culture Committee; and the CEFC RTN Investment Advisory Committee. The Board committee Charters are available on the [CEFC website](#).



Audit and Risk Committee

The Audit and Risk Committee advises and assists the Board on financial governance, financial performance, audit, annual reporting, compliance and all aspects of risk management. The Audit and Risk Committee meets approximately quarterly with both the internal and external auditors, reviews the Corporation's financial reports, oversees quarterly reporting on the (financial and ESG) performance of the portfolio and oversees a quarterly assessment of the performance of the investment portfolio against Board guidelines and limits. It also maintains regular oversight of the Anti-Money Laundering and Counter-Terrorism (AML/CTF) compliance program, the application of CEFC Investment Policies and the risk management function.

[+ Read more about the Audit and Risk Committee \(including its Charter\) on the CEFC website](#)



People and Culture Committee

The People and Culture Committee advises and assists the Board in establishing people, culture and remuneration strategies, policies and initiatives. This includes recommending annual corporate objectives and monitoring achievements against them, recommending the KPIs of the CEO, reviewing executive performance and remuneration recommendations, and ensuring continuity of leadership through active management of CEO and executive succession plans. The People and Culture Committee also oversees the organisation's progress in the areas of diversity, equity and inclusion, gender pay equity, and employee engagement. This Committee also receives regular reports on work health and safety (WHS) performance and emerging areas of employment law.

[+ Read more about the People and Culture Committee \(including its Charter\) on the CEFC website](#)



RTN Investment Advisory Committee

The RTN Investment Advisory Committee was established to assist the Board in discharging its responsibilities relating to CEFC's role in delivery of Australian Government RTN policy objectives. The Committee is made up of Board members and non-Board industry experts. It provides an additional level of review and evaluation of the more complex and large-scale transactions likely to be considered for potential investment by the RTN Fund. The Committee assesses the risks and mitigants of a particular transaction, and whether a proposed transaction is consistent with Australian Government policy objectives, considering matters such as project delivery risk, proposed financing structures and financial modelling and sensitivities. The Committee is an advisory committee and is not intended to be an investment decision-making body, and as such, any vote, feedback or recommendation is not binding on the Board. The Board retains overall responsibility for investment decisions, including those related to the RTN Fund. The Chair and CEO refer RTN projects to the Committee that are deemed sufficiently material and technically complex to merit input from the Committee. During the year, several relevant projects were referred to the Committee for review.

[+ Read more about the RTN Investment Advisory Committee \(including its Charter\) on the CEFC website](#)



First Nations Board Observer Program

In 2025, the CEFC Board appointed Mr James Reynolds as Member to RTN Investment Advisory Committee as the inaugural First Nations Board Observer Program appointee.

Mr Reynolds is a Gangalidda/Waanyi person, with over 23 years' experience in energy markets, transmission and distribution networks, energy retailing, utility and market regulation, business execution and project delivery.

Mr Reynolds' experience is diverse covering business and organisational leadership, governance, risk management, market and economic regulation and business operations in capital-intensive high growth and rapidly changing environments. Mr Reynolds presently owns and leads Mirabou Energy that develops large-scale and isolated hybrid renewable energy power solutions in the NEM and remote Australia.

Mr Reynolds' appointment is for a 2-year term, ending 2 February 2027.

In 2025, the CEFC Board appointed Mr Caleb Adams as an observer to the Audit and Risk Committee as the second appointee under the First Nations Board Observer Program. A Wulli-Wulli Aboriginal man, Mr Adams is currently the Portfolio Manager, Investment Stewardship at the Victorian Funds Management Corporation, commencing in this role in January 2026. Prior to this, Mr Adams was the Director, ESG and Sustainable Investment at Evans & Partners where he supported the development and implementation of the firm-wide ESG and sustainable investment capability. Mr Adams has also spent over eight years delivering innovative ESG and First Nations strategies within the property and investment management sectors, at both Lendlease and AMP Capital.

Mr Adams is also an Investment Committee Member for The Foundation for Young Australians, a member of the Australian Sustainable Finance Institute (ASFI) First Nations Reference Group, and the lead author of the "Charting the Path" research report for Responsible Investment Association Australasia (RIAA), and holds a Master of Development Studies from the University of Melbourne, a Bachelor of Engineering (Hons) from Griffith University and is a member of the Australian Institute of Company Directors (MAICD).

Mr Adams' appointment is for a 2-year term, ending 31 January 2028.

Committee membership

All Board members are non-executive members. Committee meetings are open to all Board members, with only the members of each Committee having voting rights.

Figure 2: Board committee memberships 2025–26

Board Member	Audit and Risk Committee	People and Culture Committee	RTN Investment Advisory Committee
Steven Skala AO (Chair)			Chair
Dr Guy Debelle	Member	Member	Member
Kate George ¹		Member from 26 March 2026	Member from 4 November 2025
David Jones AM	Member		Member
Andrea Slattery	Member	Chair from 26 March 2026 (previously Acting Chair)	Member
Samantha Tough			Member
Nicola Wakefield Evans AM	Chair		Member

1. Dr Kate George was appointed as a director to the CEFC Board on 4 November 2025.

Board member meeting attendance

During the year, the Board held ten meetings, the Audit and Risk Committee held five meetings, the People and Culture Committee held six meetings and the RTN Investment Advisory Committee held four meetings.

Figure 3: Board member meeting attendance 2025–26

	Board		Audit and Risk Committee		People and Culture Committee		RTN Investment Advisory Committee	
	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend
Steven Skala AO (Chair)	10	10	5*	5	5*	6	3	4
Dr Guy Debelle	10	10	5	5	6	6	4	4
Dr Kate George	5	7	2*	3	2	4	2	2
David Jones AM	9	10	4	5	3*	6	3	4
Andrea Slattery	10	10	4	5	6**	6	2	4
Samantha Tough	9	10	3*	5	4*	6	4	4
Nicola Wakefield Evans AM	10	10	5	5	0*	6	4	4

* Represents non-committee members, whose attendance is optional.
** Includes four committee meetings as acting Chair and two meetings as Chair.

Executive

Role of the Executive

The Executive team is responsible for fulfilling the organisation's purpose as outlined in the CEFC Act.

It consists of the Chief Executive Officer as a full-time statutory office established under section 32 of the CEFC Act for the day-to-day administration of the Corporation, and senior management personnel appointed to assist the CEO in managing the Corporation under delegated authority. This includes fulfilling the Corporation's investment function, the responsible management of the CEFC and its people according to various applicable laws, building market awareness about decarbonisation opportunities, informing both markets and governments as to relevant standards and policies that can unlock investment opportunities in the clean energy sector, and in working in partnership with industry, stakeholders and government to advance national decarbonisation objectives.

The Executive's role extends to investment decision-making, addressing complex issues that require a strategic approach and a deep understanding of the business environment. The Executive also works to ensure the long-term success of the CEFC by cultivating a corporate culture that attracts and retains individuals with extensive investment, financial and technical expertise who are committed to the CEFC purpose. The Executive has created five specialist committees to lead organisation direction, decision-making and performance.

Executive Team



Ian Learmonth

Chief Executive Officer

Mr Learmonth has more than 30 years' experience as a financier and investor, having worked in Australia, Asia and Europe across asset finance, clean energy and major infrastructure projects, as well as pioneering Australian social impact investing.

Prior to his appointment as CEO for the CEFC in 2017, Mr Learmonth established Social Ventures Australia's Impact Investing business, which included raising venture capital and affordable housing funds as well as launching Australia's first Social Impact Bond in 2013.

Previously an Executive Director of Macquarie Group for 12 years, Mr Learmonth has extensive global investment banking experience establishing various Macquarie businesses, notably European renewable energy and carbon credit investing as well as cross-border asset and structured finance and securitisation in Australia, Asia and Europe.

Mr Learmonth has degrees in Law and Commerce from The University of Queensland and is a Graduate Member of the Australian Institute of Company Directors. Mr Learmonth is a member of The University of Queensland Business School Advisory Board and has been a long-standing director of Sydney's Belvoir Street theatre company. During part of the reporting period in July 2025, Mr Learmonth was a director of Virescent Ventures. After a successful tenure of more than 9 years as Chief Executive Officer, Mr Learmonth will step down from the role on 18 September 2026.

Executive Team continued



Simon Every

Chief Corporate Affairs Officer

Previously Chief Public Affairs Officer

Mr Every leads the CEFC Public Affairs team, which oversees the CEFC relationship with the Australian, State and Territory governments. Mr Every is responsible for the development of CEFC-related public policy, First Nations matters and CEFC stakeholder relations. He also leads the CEFC media, marketing, and corporate communications team.

Mr Every advised on the creation of the CEFC while at Low Carbon Australia Limited, before it was merged into the CEFC. Mr Every has more than 25 years' experience working for and advising Commonwealth entities, including as Chief of Staff to a Federal Cabinet Minister.

Mr Every is a Graduate Member of the Australian Institute of Company Directors and a 2022 Vincent Fairfax Fellow. Mr Every holds a Bachelor of Arts in Humanities, majoring in Political Science and History, from the Queensland University of Technology.



Sara Leong

Chief Asset Management Officer

Ms Leong is responsible for the management of the diverse CEFC portfolio of debt, equity and early-stage/venture capital investments, as well as oversight of the organisation's environmental, social and governance function.

Ms Leong has extensive experience in infrastructure, project and structured finance as well as asset, portfolio and funds management.

Prior to joining the CEFC, Ms Leong worked at Deutsche Bank, Macquarie Group and ANZ Banking Group, in Australia and the UK, and held non-executive directorships for portfolio companies in the utilities and infrastructure sectors.

Ms Leong has a Master of Laws (Corporate and Commercial) from the University of NSW, a Bachelor of Laws (First Class Honours) and a Bachelor of Business (Finance) from the University of Technology Sydney. Ms Leong is a Graduate Member of the Australian Institute of Company Directors. Ms Leong is a director of venture capital firm Virescent Ventures.



Rory Lonergan

Chief Investment Officer – Infrastructure and Alternatives

Mr Lonergan leads the CEFC team responsible for the origination and execution of investments in infrastructure and alternatives, which includes the \$500 million Powering Australia Technology Fund.

Mr Lonergan works on direct investment opportunities as well as on indirect investments via third-party fund managers across multiple sectors.

Mr Lonergan has led the development of the CEFC Infrastructure, Natural Capital, Impact Capital and Private Equity platforms.

Mr Lonergan has more than 30 years' experience in the equity investment and wider funds management sectors, having worked at PwC, Zurich Capital Markets and Challenger Limited, where he was Head of Transaction Structuring.

Mr Lonergan is a Fellow of the Institute of Chartered Accountants in Ireland and a Graduate Member of the Australian Institute of Company Directors.



Paul McCartney

Chief Investment Officer – Rewiring the Nation

Chief Executive Officer Designate

Mr McCartney leads the specialist Rewiring the Nation Fund, Alternative Fuels and Industry and WA teams, focused on unlocking investment critical to Australia's clean energy transition via large-scale nation building projects.

Mr McCartney's focus includes large-scale grid, Renewable Energy Zones, green hydrogen, sustainable fuels and distributed energy resources.

Mr McCartney has over 30 years' experience working across clean energy, commercial property, funds management and IT services.

Mr McCartney has worked in the mergers and acquisitions area, in addition to holding chief financial officer roles for listed and unlisted companies.

Mr McCartney is a Certified Practising Accountant and holds a Bachelor of Accountancy from RMIT University. A Graduate Member of the Australian Institute of Company Directors.

The Board has appointed Mr McCartney as Chief Executive Officer from 18 September 2026.



Leanne McDonald

Chief People and Culture Officer

Ms McDonald leads people and culture initiatives to ensure that the talent, capability and workplace culture is in place to enable the CEFC to make a positive impact.

Ms McDonald brings over 25 years of senior leadership experience in organisational development across the energy, financial services, and IT sectors. McDonald has successfully designed and led transformative leadership and cultural change initiatives that have accelerated strategic execution both in Australia and internationally.

As a management consultant, Ms McDonald led strategic initiatives for clients in the financial services, manufacturing and public sectors.

Ms McDonald was a 2017 Chief Executive Women (CEW) Scholar, holds a Bachelor of Science with Honours in Psychology and a Master of Commerce in Organisational Behaviour from the University of NSW.



Monique Miller

Chief Investment Officer – Renewables and Sustainable Finance

Ms Miller leads the CEFC team responsible for the origination and execution of investments in renewables and sustainable finance, overseeing transactions in the areas of renewable energy, storage and debt markets.

This includes the \$1 billion Household Energy Upgrades Fund™. Ms Miller has more than 20 years' experience in clean energy and environmental finance.

Prior to joining the CEFC, Ms Miller worked at Macquarie Bank and Baker McKenzie in Sydney and London, with extensive experience in renewables and carbon investment and structuring, international emissions trading and policy advice.

Ms Miller holds a Bachelor of Arts/ Law degree with Honours from the Australian National University and is a Graduate Member of the Australian Institute of Company Directors.

Executive Team continued



Andrew Powell

Chief Financial Officer

Mr Powell leads the CEFC finance team which is responsible for the overall financial planning, reporting and performance, cash management and strategic financial direction of the CEFC. Mr Powell also leads the CEFC information technology team which is responsible for delivering safe, secure and resilient end-user and workplace technology, services and supporting infrastructure, as well as information management and enabling business value through digital evolution.

Mr Powell has more than 35 years' business experience, working within industry and public accounting both in Australia and the United States. Mr Powell was founding Chief Financial Officer and Company Secretary of Low Carbon Australia Limited, where he also contributed to its strategic direction before it was merged into the CEFC.

Mr Powell has previously held the role of Senior Vice President of Finance for then NASDAQ-listed Symyx Technologies, Inc. and senior roles with EY (Ernst & Young) in both Australia and the United States. Mr Powell is experienced in all aspects of financial accounting, as well as mergers and acquisitions, public listings and transaction and deal structuring.

Mr Powell is a Chartered Accountant, holds a Bachelor of Economics degree from Macquarie University, and is a Graduate Member of the Australian Institute of Company Directors.



Jay Tolson

Chief Operating Officer

Previously General Counsel and Company Secretary

Mr Tolson leads CEFC's second-line control functions, comprising Governance, Risk & Compliance, Investment Risk, Legal and Operational Effectiveness. Mr Tolson was appointed to the Chief Operating Officer role on 1 December 2025, in addition to his existing responsibilities as CEFC's General Counsel.

An experienced leader within the financial services industry, Mr Tolson was previously General Counsel for Credit Suisse in Australia, where he worked across a broad range of complex financing, investment banking and capital markets transactions.

Mr Tolson previously held senior legal positions with National Australia Bank and Commonwealth Bank of Australia. In private practice, Mr Tolson worked for Linklaters as a banking and finance solicitor in London and Singapore.

Mr Tolson completed his legal studies in England and is admitted to practice in New South Wales, England and Wales.



Craig Whalen

Chief Risk Officer

Until 27 February 2026

Mr Whalen had responsibility for internal and external risk management, credit analysis and risk assessment on new and existing investment commitments.

Mr Whalen has more than 25 years' experience in finance, including transaction origination and execution, as well as portfolio management. Mr Whalen has served on the boards of several renewable energy projects, as well as Flinders Ports, where he was Treasury Committee chair.

Prior to joining the CEFC, Mr Whalen was an Executive Director at Infrastructure Capital Group for more than 13 years where he was a member of the Board and Investment Committee. Mr Whalen also held positions at ANZ, Macquarie Group, Bankers Trust and Mallesons.

Mr Whalen holds Bachelor of Commerce and Law degrees from the University of Queensland, was admitted to the Supreme Court of Queensland in 1993 and is a Graduate Member of the Australian Institute of Company Directors.

Executive committees

Executive Risk Committee

This Committee provides a forum for consistent, systematic and regular executive review of enterprise-wide risk that draws upon the diverse backgrounds and expertise of each member of the Committee. In so doing, it provides support to the Audit and Risk Committee.

Responsibilities

- Oversight and supervision of the Risk Management Framework
- Oversight and supervision of the CEFC governance structures (including systems, rules, policies and processes) to facilitate transparent and informed decision-making.

Asset and Portfolio Management Committees

The CEFC has two asset management committees to provide oversight and management of the CEFC portfolio of existing investments and asset management support to the Board.

Responsibilities

- Review asset and investment performance and material asset management matters
- Review of compliance and/or obligations management
- Review of quarterly reporting, investment updates and performance, sector updates, ESG and any other reporting for the effective oversight of the investment portfolio.

Asset Management Committee

This Committee provides oversight and management of the CEFC General Portfolio of investments and the Specialised Investment Funds (HEUF, PATF, AHF and CEIF).

Rewiring the Nation Asset Management Committee

This Committee provides oversight and management of the CEFC Rewiring the Nation Fund portfolio of investments.

Investment committees

The CEFC has three investment committees to consider transactions: Executive Investment Committee; Growth Capital Investment Committee and Joint Investment Committee.

Responsibilities

Each committee is responsible for investment evaluation, including:

- Assessing whether proposed investments comply with the CEFC Act and Investment Mandate and are aligned with CEFC objectives
- Reflecting CEFC public policy objectives and investment policies and adhering to investment portfolio guidelines and risk limits.

Executive Investment Committee

This Committee provides objective oversight of CEFC investment evaluation, selection and execution processes for certain investments and provides investment decision support to the Board through the CEO.

Growth Capital Investment Committee

This Committee provides objective oversight of certain growth-stage equity and debt investments, primarily relating to the Powering Australia Technology Fund, and any other investments referred by the CEO in relation to investment evaluation, selection and execution.

Joint Investment Committee

This Committee (with participation of ARENA: Australian Renewable Energy Agency and two independent members) provides objective oversight of investments in early-stage clean energy technology projects and businesses, including evaluation, selection, execution, portfolio and asset management processes.

The Executive Investment Committee reviews those proposed investments not otherwise reviewed by the Growth Capital Investment Committee or Joint Investment Committee.

Values and ethics

Our values explain how we approach our work, and our Code of Conduct and Ethics outlines the principles that guide the way we make decisions, whether as a Board member, executive, employee or contractor.



Impact

We're driven to make a positive impact

We're clear about the difference our investments make and the benefits they bring. Our decisions and the way we influence others today have a positive and sustainable impact for generations to come. We share our experience and insights to encourage others to follow our lead.



Collaboration

We harness the power of many

We value diverse ideas, backgrounds, deep experience and expert delivery. We are open to different perspectives, embracing new solutions and clean energy technologies that transform lives and behaviour. We bring together people committed to making a positive impact.



Integrity

We work openly and honestly

We earn trust through our integrity, transparency, accountability, performance and respect for others. Our commercial rigour, insights and expertise provide the foundation for our risk appetite.



Innovation

We're explorers of new frontiers

We face challenges and opportunities with confidence. This philosophy inspires us to lead with courage and enthusiasm. We work to capitalise on our investment expertise and innovative technologies to accelerate Australia's transition to a lower emissions economy.

Code of Conduct and Ethics

The CEFC is committed to achieving sustainable performance in the delivery of our business objectives and we believe maintaining the highest standard of ethical behaviour is critical in this pursuit. This commitment goes beyond the obligations under PGPA Act. All employees are equally responsible for upholding the standards set out in the Code and conducting themselves professionally and with integrity.

Key elements of the CEFC Code of Conduct and Ethics commit us to:

Behave in a professional manner that fosters trust, confidence and goodwill with our clients, stakeholders, colleagues, suppliers and the community.

Act with due care, judgement, skill and diligence to promote and protect the reputation of the CEFC.

Behave honestly, fairly and with integrity and treat others equally and with respect, we value differences and maintain a safe working environment.

Identify and manage conflicts of interest, including personal relationships, and ensure that our personal and business interests never interfere with our ability to make sound, objective decisions on behalf of the CEFC.

Respect and maintain privacy and confidentiality.

Comply with applicable Australian laws, this code and the policies and procedures of the CEFC, and proactively identify, report and deal with suspected breaches.



Read more about the CEFC Code of Conduct and Ethics on the CEFC website

Organisational structure

The CEFC is structured to deliver performance consistent with the CEFC Act and Investment Mandate. Refer to page 34.

Key organisational activities include investment origination and transaction execution, investment risk and capital management, alongside ongoing portfolio management.

These activities benefit from the contribution of a diverse range of specialist support areas, including finance, data, analytics and technology, strategy and research, legal, corporate governance, risk and compliance, operational effectiveness, stakeholder engagement, government and regulatory reporting and liaison, media, marketing and communications, people and culture and sustainability.

The CEFC holds 100 per cent of the issued share capital in one subsidiary: CEFC Investments Pty Limited (ACN 616 070 430).

Organisational developments

The CEFC continued to strengthen its organisational capability and operating model during 2025–26 to support growth, organisational renewal and the increasing complexity and scale of its investment activities.

A review of the CEFC's organisational structure was undertaken with oversight by the Board People & Culture Committee. This was in response to the organisation's evolving mandate and growth in capital deployment. As a result, a series of changes were implemented to strengthen scalability, organisational capability and operational effectiveness, including:

- A new Chief Operating Officer (COO) function was established, bringing together key control and enabling functions under one executive. This change enhanced coordination across investment risk, legal, compliance and governance as well as giving the opportunity to start a new operational effectiveness function.
- The organisation's emerging capital management capability was consolidated under a new Head of Capital Management, accountable to the CEO, after successfully enacting a capital recycling strategic initiative that developed bespoke analytics and a capital forecasting framework for the CEFC.
- During the year, there continued to be a strong focus on deepening capability and resourcing in the RTN Fund asset management function to manage the growing portfolio of RTN Fund transactions. Engagement models, practices and processes were further refined to effectively manage these complex transactions.
- The outcomes of the 2025 review of core investment processes were put in place to enhance efficiency, clarify roles and responsibilities, and optimise these processes across the origination and transaction support teams.
- Building on the successful Microsoft 365 Copilot AI adoption program, in late 2025, the CEFC engaged consulting partners to develop an appropriate AI organisational strategy. This strategy provides a realistic, responsible AI ambition, identifying high-value and feasible AI use cases that can deliver tangible benefits to our operations and investment activities, a framework for responsible AI use and a plan to uplift capability to build readiness for AI adoption.

Organisational structure continued

Figure 4: CEFC organisational structure 2025-26



Talent acquisition, management and development

The CEFC continued to strengthen capability and talent pipelines during 2025–26 through a range of targeted initiatives:

- The CEFC established a dedicated Talent Acquisition function to improve our ability to attract high-quality talent, build proactive talent pipelines for key roles and support long-term organisational capability.
- Succession planning remained a key focus for the People and Culture Committee. During the year, the CEFC completed the second phase of its talent assessment and development program, whereby high-potential senior leaders were benchmarked against C-level capabilities. The program provided valuable insights into the CEFC's leadership bench strength and informed targeted coaching and development activities to build the pipeline of future executive talent.
- The CEFC strengthened its promotions process to improve consistency, transparency and the quality of promotion decisions across the organisation, ensuring promotions are aligned with both individual readiness and organisational needs.
- These initiatives have supported the development of a deeper leadership pipeline, improved succession planning and reinforced the CEFC's commitment to building future leadership capability from within.
- In support of effective resource management, the CEFC progressed initiatives to strengthen RTN workforce planning and support internal mobility processes.
- Building on the learning partnership established in the prior year, the CEFC expanded its structured leadership offerings, including programs for emerging leaders, people leaders and senior leaders.

Terms of employment

The CEFC operates in a competitive employment market, requiring a diverse range of specialist skills. Terms and conditions of employment are structured accordingly.

The CEO is a statutory officer appointed by the Board, in consultation with the Responsible Ministers. While the CEO holds office on terms and conditions determined by the Board, the Executive Team and staff employment relationships are formalised via individual employment agreements based on the National Employment Standards (NES), with non-executive employees also covered by the *Australian Government Industry Award 2016*.

The CEFC remuneration approach is designed to attract and retain talent with the expertise required to deliver on our objectives. CEFC employees receive a fixed remuneration package reviewed annually and benchmarked against data from the Financial Industry Remuneration Group. Eligible employees can participate in the Board-approved CEFC High Performance Incentive Plan.

Risk management

Implementation of sound risk management practices within the organisation boosts certainty that our purpose will be achieved.

Risk management is not a distinct and separate activity. It is embedded within our policies, procedures and practices that influence the decisions we take in pursuing our purpose. While we have tolerance for appropriate levels of risk necessary to achieve our purpose, the CEFC does not accept risks that compromise the organisation's integrity.

Risk oversight

The Board is ultimately responsible for the organisation's risk management activities. To assist in overseeing these functions, committees have been established including the Audit and Risk Committee, People and Culture Committee and RTN Investment Advisory Committee. These committees work in conjunction with various executive level committees, including the Executive Risk Committee, Executive Investment Committee, Joint Investment Committee (with ARENA) for the CEIF, Growth Capital Investment Committee and Asset Management Committees.

Risk management framework

Our risk management framework establishes how we identify, assess, monitor and manage material risks throughout the organisation, both financial and non-financial. Various systems, policies, processes, people and structures employed throughout the organisation contribute to the risk management of our investments and the Corporation. Material risks are assessed with reference to their potential impact on the CEFC. Such assessment considers the financial, operational, safety and reputational consequences of the risk combined with the probability of occurrence.

Risk appetite

The Board has articulated the organisation's risk appetite through the CEFC Risk Appetite Statement. The risk appetite defines the type and amount of risk we accept in the pursuit of the organisation's objectives. This has been established for material portfolios and funds along with risks inherent in the business operations. Appropriate risk limits and policies have been approved by the Board which are regularly monitored by management, and the Audit and Risk Committee.

Risk culture

Establishing and maintaining a culture where sound risk management is valued and promoted throughout the organisation continues to be a critical enabler of effective risk management. Our Values and the Code of Conduct and Ethics set the standards of behaviour we require of our people. Our culture encourages people to be proactive in identifying and reporting issues so that they may be mitigated and addressed in a timely manner.

Three lines of defence

Consistent with the operating models adopted throughout the financial services sector, we operate a "three lines of defence" model.

1

First line – Risk ownership

Business areas, including investment and asset management teams, are responsible for identifying and managing risks within their activities.

2

Second line – Review, challenge and support

Independent risk, compliance, investment risk and legal functions provide oversight, guidance, monitoring and reporting of material risks.

3

Third line – Independent assurance

Internal audit and other external assurance providers assess the effectiveness of risk management processes and controls.

Investment risks

Material investment risks include credit, equity, and the environmental and social risks (including climate) of the projects and assets we finance. The first line investment and asset management teams assess and mitigate investment risks, working with the second line teams who review and assess the risks, independent of the team originating or managing the investment opportunity.

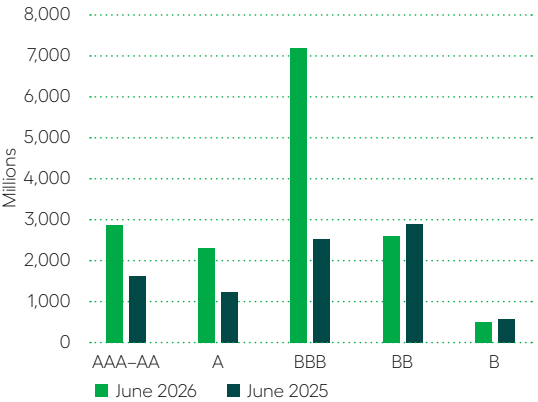
We apply commercial rigour in analysing each transaction across all the portfolios and funds set out in the Investment Mandate. Investment risks are mitigated (not eliminated) through financial structuring and the financing terms, while pursuing the relevant policy outcomes.

Investment risks in the RTN Fund and the Specialised Investment Funds may be higher and more concentrated, when compared with the General Portfolio. This is reflected within the Investment Mandate, and the nature of the underlying projects and assets may give rise to a higher level of residual risk.

Credit risk profile

Figure 5 shows the credit risk grade of loans and bonds held by the CEFC. This includes all the funds and portfolios set out in the Investment Mandate. These credit risk grades are determined in accordance with the CEFC’s shadow credit rating methodology. Overall, there was an improvement in credit quality in 2025–26 when compared to 2024–25 with higher allocations to the BBB and higher credit grades.

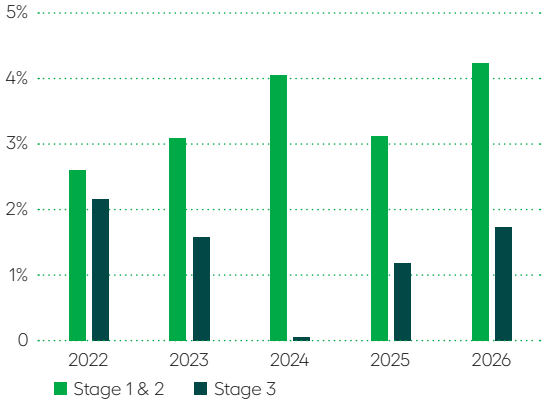
Figure 5: Credit risk profile 2025–26



Loan impairment review

Underlying credit quality in 2025–26 reduced in aggregate with statistical provisions (stages 1 and 2 combined) increasing. Credit impaired assets (stage 3) also increased as the macroeconomic factors impacted the loan portfolio. Loan impairment statistics are shown in Figure 6.

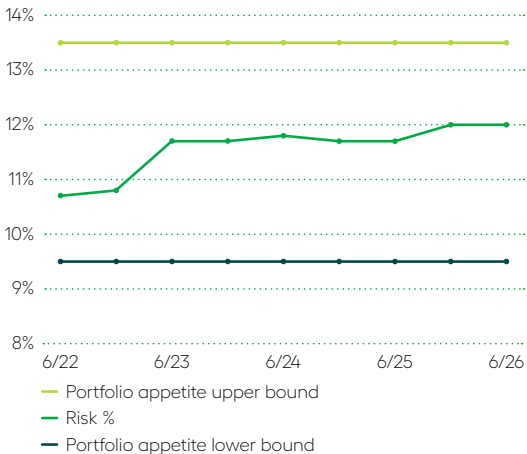
Figure 6: Loan impairment provisions 2025–26



Aggregate risk capital

Aggregate risk capital is a quantitative measure of the aggregate level of financial risk across both debt and equity. For the General Portfolio, the target operating range established by the Board is between 9.5 per cent and 13.5 per cent. The aggregate level of risk for the 2025–26 year increased slightly from 11.7 per cent to 12.0 per cent. Figure 7 shows the aggregate level of risk capital over the past four financial years for the General Portfolio.

Figure 7: General Portfolio: Risk capital as a percentage of gross exposure



Non-investment risks

The key non-investment risks we manage include strategic/business, environmental and social (including climate), compliance, conduct and financial crime, information security and cyber, operational and workplace health and safety (including psychosocial). Failure to mitigate and manage these risks could have adverse operational, safety, financial or reputational consequences that inhibit our ability to achieve our purpose.

We have a suite of conduct- and integrity-related policies and practices that guide the way our people conduct themselves. Our financial crime risk mitigation includes anti-bribery and corruption, fraud risk management and our AML/CTF Program.

We continue to monitor our cyber security posture and invest in information security infrastructure, capability, policies and practices to combat the increasing cyber threat landscape. Our mitigation strategies are aligned with the Australian Signals Directorate’s Essential Eight, being the most effective mitigation strategies to help organisations protect against various cyber threats.

CEFC Act

The CEFC Act establishes the CEFC, sets out the CEFC object and functions, and establishes arrangements for the Board, CEO and staff. The object of the CEFC is:

To facilitate increased flows of finance into the clean energy sector and to facilitate the achievement of Australia’s greenhouse gas emissions reduction targets.

Specific functions of the CEFC:



Invest

directly and indirectly, in clean energy technologies, via the investment function.



Liaise

with relevant individuals, businesses, Commonwealth agencies and State and Territory governments to facilitate the CEFC investment function.



Perform

any other functions conferred by the CEFC Act or any other Commonwealth law.



Do

anything incidental or conducive to the performance of the investment function or the other CEFC functions.

Changes to the CEFC Act

During 2025–26, there were no amendments to CEFC enabling legislation.

Location of major activities

The CEFC invests across the Australian economy and operates nationally from our offices in Sydney, Brisbane, Melbourne, Perth and Canberra. Under section 61 of the CEFC Act, investments must be solely or mainly based in Australia. The Board is empowered to make guidelines with regard to satisfying itself that an investment is solely or mainly Australian-based. These guidelines are available on the CEFC website.

Responsible and nominated Ministers

Under the CEFC Act, the CEFC has two Responsible Ministers. During the 2025–26 reporting period, these were the Minister for Climate Change and Energy and the Minister for Finance. The Minister for Climate Change and Energy is also the nominated Minister, with additional functions under the CEFC Act. The Minister for Climate Change and Energy has delegated some functions to the Assistant Minister for Climate Change and Energy, including in policy areas relevant to the role of the CEFC.

Figure 8: Ministers 2025–26

Date	Minister
1 July 2025 to 30 June 2026	The Hon Chris Bowen MP (Responsible & Nominated Minister) Minister for Climate Change and Energy
1 July 2025 to 30 June 2026	Senator the Hon Katy Gallagher (Responsible Minister) Minister for Finance
	The Hon Josh Wilson MP Assistant Minister for Climate Change and Energy

Ministerial powers of direction

Ministerial powers to direct the Board are primarily limited to Investment Mandate Directions, issued by responsible Ministers under subsection 64(1) of the CEFC Act. Mandate Directions provide instruction as to the policies to be pursued by the CEFC in performing its investment function, provided this does not have a purpose of effect of directing the CEFC to make or not make a particular investment, and that it is not inconsistent with the CEFC Act (including the object of the CEFC Act).

The *Clean Energy Finance Corporation Investment Mandate Direction 2023*, which came into effect on 22 July 2023, remained in place throughout the 2025–26 reporting period.

Government Policy Orders

The PGPA Act allows the Australian Government to issue directions to the CEFC by means of a Government Policy Order (GPO). No GPOs applied to the CEFC during 2025–26.

Statement of compliance with directions, or particulars of non-compliance

The CEFC had no instances of non-compliance with Ministerial Directions (including the Investment Mandate) or GPOs in the 2025–26 year.

Statement of erratum

In Appendix D of the 2023–2024 Annual Report the reference to “Metro Property Development” is incorrect and should reference “Metro Northcote Pty Ltd”.

Legislative and government information continued

Other legislation, policies

PGPA Act

As a corporate Commonwealth entity, CEFC activities are governed by the PGPA Act and its subordinate instruments. The PGPA Act imposes various duties, responsibilities and accountabilities on the Board, both as a collective and as individuals, and on the Executive Team and employees. Note 1 to the Financial Statements contains information about how the PGPA Act impacts the financial governance of the organisation and the preparation of the accounts.

There were no significant issues of non-compliance with finance law identified and reported to the responsible Ministers in the 2025–26 reporting period.

Other government policy

An additional \$2 billion was announced for the Clean Energy Finance Corporation to accelerate the rollout of renewable projects and drive downward pressure on electricity prices. This money was not appropriated in the 2025–26 year.

The CEFC works closely with the Department of Climate Change, Energy, the Environment and Water (DCCEEW) and several other departments and portfolio agencies, including ARENA, to contribute to the delivery of Australian Government policy initiatives relating to emissions reduction. During 2025–26, notable examples included assisting DCCEEW, and other relevant departments and portfolio agencies, with aspects relating to the continued deployment of the HEUF and RTN programs, input into assisting Government meeting obligations under the First Nations Clean Energy Strategy, the Australian Government's Future Made in Australia plan, the Investor Front Door process, Governments' consideration of the regulatory and policy framework for Data Centres ahead of Energy and Climate Ministers' Council consideration, and continued development of demand side low carbon liquid fuels policies. As a corporate Commonwealth entity, the CEFC is not formally bound by other Australian Government policies, including those promulgated under the *Public Service Act 1999*. However, the CEFC pays due regard to policy guidance that is issued by the Australian Government when considering the implementation of CEFC operations, as appropriate.

Other statutory requirements

As a corporate Commonwealth entity, the CEFC complies with a range of other statutory reporting requirements. Refer to *Appendix A* for requirements relating to the preparation of this Report.

Regulatory environment

Australia's regulatory framework to support decarbonisation continued to strengthen in the 2025–26 year, including:

- The Australian Government set a national target to reduce emissions by 62–70 per cent below 2005 levels by 2035.
- The Net Zero Plan was released along with six Sector Plans, being:
 - Electricity and Energy Sector Plan
 - Agriculture and Land Sector Plan
 - Built Environment Sector Plan
 - Industry Sector Plan
 - Resources Sector Plan
 - Transport Sector Plan
- The Net Zero Plan provides a framework for the transition to net zero and is supported by the six sector plans that identify how sectors of the economy can benefit from the transition and play their part.
- A new \$5 billion Net Zero Fund was established to be delivered by the National Reconstruction Fund Corporation. The Net Zero Fund will deliver targeted investments to support the transition to less carbon-intensive manufacturing and production processes. It will focus on supporting large-scale industrial facilities to decarbonise, improve energy efficiency and transition to net zero. The Net Zero Fund will support the Industry Sector Plan.
- A new \$1.1 billion Cleaner Fuels Program was announced to encourage domestic production of low carbon liquid fuels (LCLF). The program will be delivered by ARENA and will provide production-linked incentives over 10 years and target support toward LCLF projects that are advanced in development, progressing towards a final investment decision and targeting production in the near future.

- The Cheaper Home Batteries Program was expanded to an estimated \$7.2 billion over four years, with adjustments made to the program to ensure the discount remains appropriate for small, medium and large battery systems.
- The Australian Energy Market Operator (AEMO) released the 2026 Integrated System Plan which is a roadmap for the transition of the National Electricity Market (NEM) power system.
- The final report of the NEM wholesale market settings review was delivered which provided 12 recommendations for improving the operation of the NEM.
- The Investor Front Door pilot was launched, and four projects were chosen to participate in the first Investor Front Door pilot.
- The Capacity Investment Scheme (CIS) continued to be rolled out, with six tender outcomes announced in 2025–26, including the following successful projects:
 - 16 dispatchable capacity projects, all lithium-ion batteries, representing a total of 4.1 GW/15.4 GWh in the NEM in CIS Tender 3
 - 20 renewable generation projects representing a total of 6.6 GW in the NEM in CIS Tender 4, including 12 projects with large-scale batteries with a combined storage capacity of 11.4 GWh
 - Seven renewable generation projects representing a total of 1.9 GW in the Western Australian Wholesale Electricity Market (WEM) in CIS Tender 5, including a hybrid project that will supply a further 2.1 GWh of storage capacity
 - Three dispatchable capacity projects, all battery storage, that will deliver 0.48 GW/3.7 GWh of dispatchable capacity in the WEM in CIS Tender 6
 - 19 renewable generation projects representing a total of 7.8 GW in the NEM in CIS Tender 7, including a further 7.9 GWh in battery storage through hybrid projects
 - 15 successful battery energy storage projects with a total capacity of 4.2 GW/16.1 GWh in the NEM through CIS Tender 8.

Judicial, parliamentary and integrity agency oversight

The CEFC is not aware of any judicial or administrative tribunal decisions that have had, or may have, a significant effect on the operations of the CEFC. There were no particular reports about the CEFC made by the Commonwealth Ombudsman, the National Anti-Corruption Commission or the Office of the Australian Information Commissioner during the 2025–26 reporting period.

Parliamentary Committees

The CEFC was mentioned in the following reports of Parliamentary Committees:

- **Standard reporting:** CEFC mentions in reports of Senate Estimates proceedings of the Environment and Communications Legislation Committee, including Additional Estimates 2025–26 report published March 2026, and Budget Estimates 2026–27 report published June 2026.
- **March 2026:** Select Committee on Information Integrity on Climate Change and Energy: “The Integrity Gap: Restoring Trust in the Climate and Energy Debate”.
- **March 2026:** House of Representatives Standing Committee on Economics: “Review of Australia’s four major banks”.
- **March 2026:** The Senate Environment and Communications Legislation Committee report: “Annual Reports (No.1 of 2026)”.

 **Parliamentary Committee reports are available at aph.gov.au**

Australian National Audit Office (ANAO)

The CEFC was mentioned in the following reports of the Australian National Audit Office:

- **December 2025:** “Audits of the Financial Statements of Australian Government Entities for the Period Ended 30 June 2025”.

The ANAO advised that it will be conducting a performance audit, “Management of Rewiring the Nation investments” with the final report due to be tabled in May 2027. The ANAO proposes to examine if the CEFC is effectively evaluating proposed RTN fund investments, effectively managing RTN fund investments and if there are effective arrangements in place to manage the performance of the RTN fund.

 **ANAO reports are available at anao.gov.au**

Legislative and government information continued

Procurement

The Commonwealth Procurement Rules are not applicable to the CEFC. CEFC procurement occurs via the most efficient, effective, economical and ethical means possible, which can involve direct engagement of service providers based on quotes, select tenders, engagement of external advisors, and in some instances joining Australian Government procurement arrangements. Under section 74 of the CEFC Act, the CEFC must specify in the Annual Report the details for each procurement contract on foot within the financial year valued at above \$80,000.

Figure 9: CEFC procurement contracts in place: 2025–26

Contract date	Value \$	Expensed in 2025–26 \$	Contracting party	Purpose of contract
March 2021	5,890,131	780,172	Dexus Property Group/ Perpetual Trustee Company Limited	Lease of premises at Level 17, 1 Bligh Street, Sydney from 1 March 2021 to 28 February 2026
July 2022	1,418,010	643,155	CyberCX Pty Limited	Various cyber security services including 24/7 SOC/SEIM, vulnerability management, incident response, cyber threat simulation, cyber intelligence and subscription services between July 2022 and July 2027
October 2022	5,648,017	787,580	GPT Funds Management 2 Pty Ltd as trustee for GPT RE Limited	Lease of premises at Level 52, 111 Eagle Street, Brisbane from 1 October 2022 to 30 September 2029
November 2022	1,923,330	359,963	Dexus Wholesale Management Limited as trustee for 80 Collins Street Trust	Lease of premises at Level 37, 80 Collins Street, Melbourne from 1 November 2022 to 31 October 2027
July 2023	818,378	398,545	Technology One Ltd	Annual maintenance and support, Application Managed Service (AMS) program, ongoing development costs and SaaS fees for the three years to 30 June 2026
October 2023	1,460,606	562,806	Macquarie Telecom Pty Ltd	Provision of managed network services, telecommunications services including Internet and data and managed firewall. Azure cloud managed services including 24/7 monitoring and alerting. Microsoft licences and subscriptions for Azure cloud platform and security for the period 1 October 2023 to 30 September 2028
January 2024	519,089	115,320	The Trust Company Limited as Trustee for GDI No.35 Perth Prime CBD Office Trust	Lease of premises at Level 21, 197 St Georges Terrace, Perth from 22 January 2024 to 21 January 2029
July 2024	1,030,948	492,691	Bloomberg Australia Pty Ltd	Bloomberg terminals for the year to June 2025 and BloombergNEF Anywhere Service contracted from July 2024 to June 2026
August 2024	259,180	187,526	Franklin Covey Pty Ltd	All access pass for CEFC staff to the Franklin Covey training platform for the period 26 August 2024 to 25 August 2026, including various training workshops
May 2025	286,000	128,762	Telstra Limited	Mobile and data services for the period 20 May 2025 to 19 May 2027
June 2025	110,000	110,000	Australian Sustainable Finance Institute	Consultancy services for the implementation of a Taxonomy Pilot
July 2025	440,009	220,004	Abbey West Pty Ltd trading as Media & Capital Partners	Media relations services for the period from 1 July 2025 to 30 June 2027

Contract date	Value \$	Expensed in 2025–26 \$	Contracting party	Purpose of contract
July 2025	130,880	130,880	Allens	Legal fees incurred in relation to various investment projects for the period 1 July 2025 to 30 June 2026
July 2025	321,742	321,742	Ashurst Australia	Legal fees incurred in relation to various investment projects for the period 1 July 2025 to 30 June 2026
July 2025	86,595	86,595	Aurora Energy Research Pty Ltd	National Electricity Market (NEM) subscription for the period 1 July 2025 to 30 June 2026
July 2025	83,988	83,988	Australian Government Comcare	Workers' compensation insurance for the period 1 July 2025 to 30 June 2026
July 2025	268,821	268,821	Australian Government Comcover	General, professional indemnity, D&O, property including business interruption and travel insurance for the period 1 July 2025 to 30 June 2026
July 2025	244,199	244,199	Baringa Partners LLP	Baringa Australia NEM Wholesale and Flexibility Market annual subscription reports and delivery of Data Centre Market Impacts report covering the period from 1 July 2025 to 30 June 2026
July 2025	293,568	245,177	BDO Services Pty Ltd	Program investment partner compliance audits performed during the year ended 30 June 2026
July 2025	274,573	274,573	Brennan IT Pty Limited	Purchase of computer hardware, applications licensing and IT support services
July 2025	1,445,748	1,445,748	CTM Group Pty Ltd	Work travel and accommodation costs for period 1 July 2025 to 30 June 2026 under the whole of government travel procurement program
July 2025	386,966	386,966	Data#3 Limited	AI Training and prototyping associated with Microsoft 365 Copilot rollout plus subscriptions for Mimecast, Microsoft 365, Azure Cloud and Adobe ATSB
July 2025	509,182	509,182	Datacom Systems Pty Ltd	IT support, applications licencing and IT hardware procurement for the period 1 July 2025 to 30 June 2026
July 2025	179,648	179,648	DLA Piper Australia	Legal fees incurred in relation to various investment projects for the period 1 July 2025 to 30 June 2026
July 2025	139,392	139,392	DQT Systems Pty Ltd	Technical web services support for external facing website
July 2025	134,526	96,349	EST10 Pty Ltd	Temporary administrative support services
July 2025	185,350	58,740	Gartner Australasia Pty Ltd	Specialist advisory service supporting legal, risk and compliance functions with practical governance and technology insights
July 2025	439,309	439,309	Grant Thornton Australia Limited	Internal Audit engagement for the period 1 July 2025 to 30 June 2026
July 2025	983,074	983,074	Herbert Smith Freehills	Legal fees incurred in relation to various investment projects for the period 1 July 2025 to 30 June 2026
July 2025	131,994	87,996	[Personal Information Redacted]	Attendance at various investment committee meetings for the period 1 July 2025 to 31 December 2025
July 2025	172,031	172,031	Johnson Winter Slattery	Legal fees incurred in relation to various investment projects for the period 1 July 2025 to 30 June 2026
July 2025	88,000	88,000	KPMG	Services associated with the development of a Net Zero Alignment Framework
July 2025	312,734	312,734	KPMG Financial Advisory Services (Australia) Pty Ltd	Debt advisory services incurred in relation to various investment projects
July 2025	659,076	659,076	Mallesons	Legal fees incurred for various investment projects for the period 1 July 2025 to 30 June 2026

Legislative and government information continued

Contract date	Value \$	Expensed in 2025-26 \$	Contracting party	Purpose of contract
July 2025	108,373	108,373	Norton Rose Fulbright Australia	Legal fees for both modern slavery and general employment matters for the period 1 July 2025 to 30 June 2026
July 2025	106,453	106,453	Power Productivity Pty Ltd	Technical engineering and costing review consultancy services in support of Rewiring the Nation Fund transactions
July 2025	165,635	153,057	S&P Global Market Intelligence LLC	Annual access to S&P intelligence platforms
July 2025	160,790	40,744	Sodali & Co Pty Limited	Design, development and production of the 2024-25 CEFC Annual Report including the Transparency Portal, Sydney office signage and design of various marketing and communications templates
July 2025	198,895	198,895	The Hong Kong and Shanghai Banking Corporation Limited	Bond custody fees for the period 1 July 2025 to 30 June 2026
July 2025	135,754	135,754	Thesoco Pty Ltd trading as SOCO	Software support services and enhancements to automated workflows
July 2025	5,476,663	3,740,000	Virescent Ventures Pty Ltd	Investment Management Services for CEFC's Innovation Fund I & II and certain Powering Australia Technology Fund Investments for the period 1 July 2025 to 31 December 2026
August 2025	1,045,000	1,045,000	Australia and New Zealand Banking Group Limited	ANZ Debt Sell Down Arranging Fee
August 2025	388,357	388,357	CBRE Pty Ltd	Tenant Representation Fee for Sydney office
August 2025	119,600	119,600	First Nations Carbon Broking Pty Limited	Purchase of Australian Carbon Credit Units (ACCUs)
August 2025	110,000	110,000	Gondwana Carbon Pty Ltd	Purchase of Australian Carbon Credit Units (ACCUs)
September 2025	336,060	336,060	Egon Zehnder International Pty Ltd	CEO recruitment
September 2025	146,848	146,848	SEC Newgate Pty Limited	2025 Stakeholder Analysis
October 2025	211,406	211,406	Altis Consulting Pty Ltd	Data engineering services including framework development and Continuous Integration and Continuous Delivery (CI/CD) implementation
October 2025	348,150	330,969	KPMG	Services associated with the development of CEFC's AI Strategy and Roadmap
December 2025	99,000	74,250	15 Times Better Pty Ltd	First Nations Impact Assessment
December 2025	98,977	76,810	Protecht.ERM Pty Ltd	Governance, Risk and Compliance platform, Professional Service Plan subscription fees
January 2026	105,600	80,640	Oxford Global Projects UK Limited	Creation of a reference class forecasting tool for the RTNF team to assist with assessing delivery risk
January 2026	97,504	96,101	Reval.com Inc	One year licence fee renewal, maintenance and support for Loan Management System commencing January 2026
February 2026	146,554	125,392	Diligent Board Services Australia Pty Ltd	Diligent Board subscription for one year from 16 February 2026 to 15 February 2027

Contract date	Value \$	Expensed in 2025–26 \$	Contracting party	Purpose of contract
March 2026	28,048,739	1,727,472	Dexus Property Group/ Perpetual Trustee Company Limited	Lease of premises at Level 22, 1 Bligh Street, Sydney from 1 March 2026 to 28 February 2034
March 2026	660,000	660,000	PGIM (Australia) Pty Ltd	Syndicated facilities agreement arranger fee
March 2026	81,880	81,880	RSM UK Tax and Advisory Services LLP	Due diligence work in relation to an investment project
April 2026	102,788	102,788	Terrigal Pacific Hotel Pty Ltd trading as Crowne Plaza Terrigal	Conference venue costs
May 2026	99,000	99,000	Australian Consumers' Association trading as CHOICE	Consumer Education Campaign
May 2026	187,000	33,000	BDO Corporate Finance Ltd	Valuation services for various investment projects for the three years ending 30 June 2026 to 30 June 2028
May 2026	800,250	–	Bloomberg Australia Pty Ltd	BloombergNEF All Service contracted from May 2026 to May 2028
June 2026	245,630	245,630	Australian National Audit Office	Audit of financial statements for year ended 30 June 2026
Total	67,106,000	22,575,223		

Indemnities and insurance premiums

The CEFC has provided certain indemnities and insurances to 'officers' of the CEFC, including Board members, the Executive Team and senior staff. Refer to Figure 10.

Figure 10: Indemnities and insurance premiums for 'officers': 2025–26

Indemnity/insurance	Officers covered	Coverage period	Premium/fees
Comcover Insurance for Directors' and Officers' Liability	All Board members and Officers	1 July 2025 to 30 June 2026	\$67,509
Deed of Access, Indemnity and Insurance	All Board members, the Executive Team and staff appointed by the CEFC to an external board	Date of execution until seven years after ceasing to be either a Director or Officer of the CEFC, or appointment by the CEFC to an external board	Nil: indemnity only
Comcare Workers' Compensation Insurance	All Board members and Officers	1 July 2025 to 30 June 2026	\$83,988
Indemnification for reasonable travel and expenses	All Directors, Officers and staff	Ongoing	Nil: indemnity only

Comcover and Comcare insurance

Insurances provided by Comcover and Comcare have general application that includes Board members, the Executive and staff as per the ordinary insurances afforded of Commonwealth entities.

Financial information





Financial information about our operations

Financial information

Summary Financial Data	64
Independent Auditor’s Report	77
Statement by the Accountable Authority, Chief Executive and Chief Financial Officers	79
Consolidated Statement of Comprehensive Income	80
Consolidated Statement of Financial Position	81
Consolidated Statement of Changes in Equity	82
Consolidated Cash Flow Statement	83
Notes to Consolidated Financial Statements	84

Summary Financial Data

This summary financial data is in addition to, and does not form part of, the Audited Financial Statements.

A. CEFC Consolidated Summary financial data

Figure 11: New commitments, deployment and capital returned (\$m)

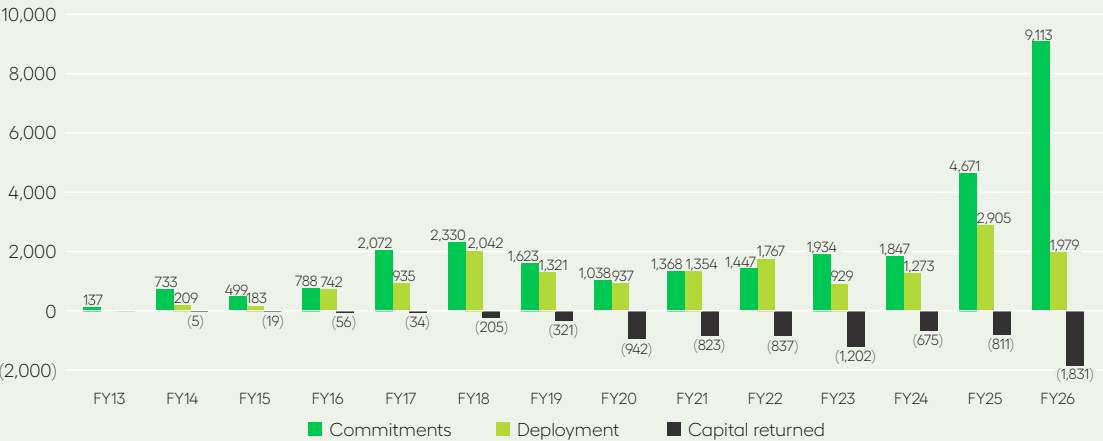


Figure 12: Net Deployed & On-Risk Portfolio Balance (\$bn)

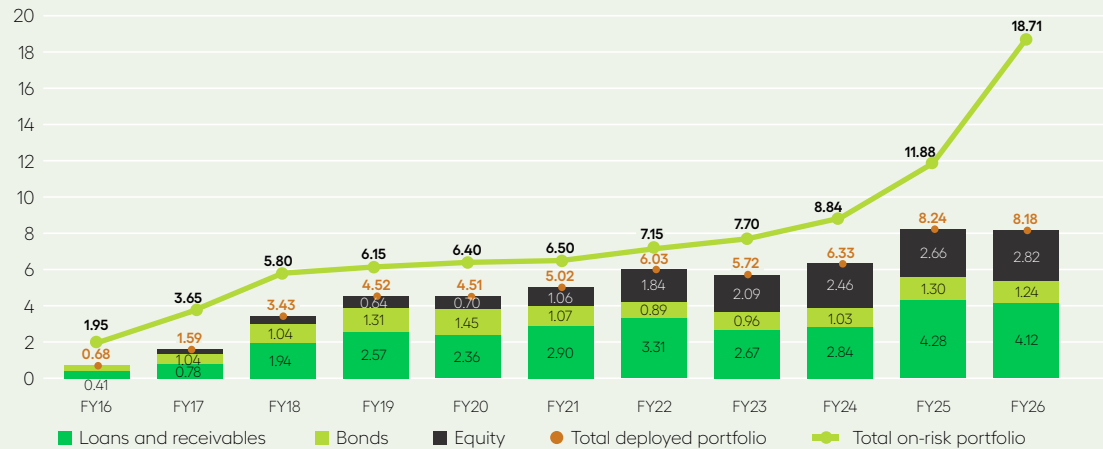


Figure 13: Investment portfolio roll-forward from 1 July 2025 to 30 June 2026 (\$m)

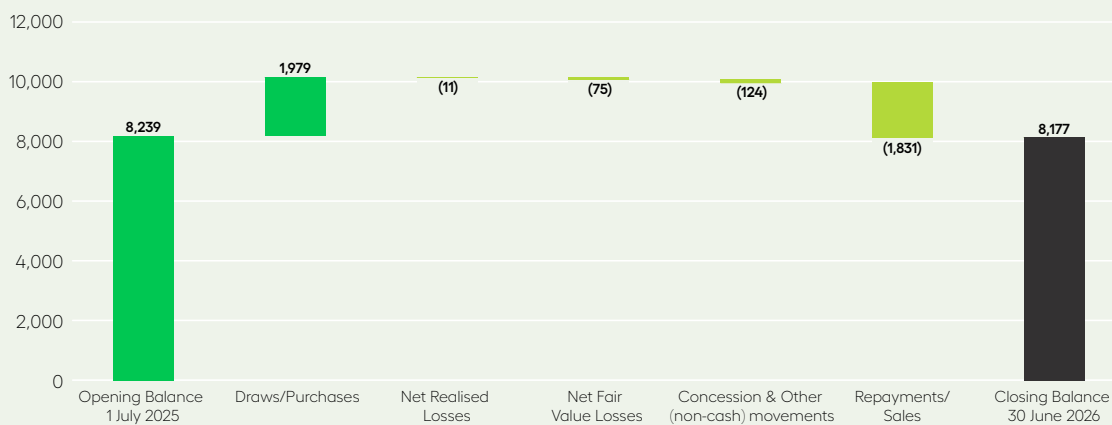


Figure 14: Normalised surplus/(loss) from operations by segment (\$m)



Summary Financial Data continued

The SIF Segment comprises the Clean Energy Innovation Fund (CEIF), The Advancing Hydrogen Fund (AHF), the Household Energy Upgrades Fund (HEUF) and the Powering Australia Technology Fund (PATF). The normalised loss in the SIF Segment in FY26 is primarily due to write-down in the fair value of two of the largest CEIF investments.

The RTNF Segment is showing a normalised operating loss as significant amounts of capital were first deployed into projects in the second half of the 2025 financial year. While contractual commitments have been made for a number of projects, the actual funding of the commitments occurs progressively over a number of periods, at which time the CEFC will then derive more substantial operating revenue from the contracts.

Figure 15: Reconciliation of surplus/(loss) from operations to normalised surplus from operations (\$m)

	FY22	FY23	FY24	FY25	FY26
Reported surplus/(loss) from operations	189.5	174.9	(215.9)	408.4	(3,061.0)
Less: Funding received from the Australian Government	(7.1)	(12.6)	(20.8)	(20.8)	(20.0)
Less: Bank Interest	(1.4)	(18.2)	(29.4)	(87.2)	(65.5)
Less: Fair value (gains)/losses from loans and bonds at fair value through profit & loss (FVTPL) net of realised (gains)/losses on sale	81.4	5.4	(11.3)	(23.0)	15.1
Less: Concessional discount unwind	(5.3)	(4.6)	(6.2)	(19.8)	(40.2)
Add: Concessional expense/(reversal)	8.4	13.7	456.6	(25.6)	3,329.7
Less: Loan modification unwind	(6.2)	(4.5)	(2.9)	(3.8)	(2.2)
Add: Loan modification expense/(reversal)	1.1	(4.8)	2.0	3.6	(2.2)
Normalised surplus from operations	260.3	149.3	172.0	231.9	153.7

Notes:

Normalised surplus from operations represents the underlying financial performance of the CEFC and excludes:

- Interest received on cash in CEFC bank accounts.
- Operational funding received from the Australian Government.
- The impact of fair value gains and losses arising from the mark-to-market of loans and bonds, since these movements are largely a function of changes in market interest rates and not a good indicator of the underlying financial performance of the CEFC.
- The non-cash concession and loan modification charges together with the unwind of these as revenue.

B. Benchmark Rates of Return

Figure 16: CEFC General Portfolio benchmark rate of return (PBR)¹

	30 June 2026 Actual	30 June 2026 Normalised
Funding appropriated to Special Account	\$11.5b	\$11.5b
Net drawn from Special Account	\$4.9b	\$4.9b
Net deployed portfolio	\$6.3b	\$6.3b
Cumulative return ²	4.28%	4.22%
PBR target¹	3.93-4.93%	3.93-4.93%
Annualised return	4.46%	4.63%
Annualised PBR target¹	4.27-5.27%	4.27-5.27%

Notes:

1. The targeted portfolio benchmark rate of return (PBR) for the General Portfolio, established in the Investment Mandate Direction 2023, is the 5-year bond rate + 2-3%.
2. Annualised rate of return since inception.

Figure 17: Specialised Investment Funds portfolio benchmark rates of return (PBR)

30 June 2026	CEIF	AHF	PATF	HEUF
Funding appropriated to Special Account	\$200m	\$300m	\$500m	\$1,000m
Net drawn from Special Account	\$200m	\$16m	\$190m	\$295m
Net deployed portfolio	\$161m	\$11m	\$188m	\$218m
Cumulative return ²	-0.71%	1.29%	3.94%	3.07%
PBR target¹	2.90%	1.78%	4.69%	4.45%
Annualised return ³	-42.80%	1.93%	-4.92%	1.78%
Annualised PBR target¹	3.11%	2.03%	4.77%	4.47%

Notes:

Clean Energy Innovation Fund portfolio benchmark rate of return (PBR) (%)

1. The Clean Energy Innovation Fund targeted portfolio benchmark rate of return (PBR), established in the Investment Mandate Direction 2023, is the 5-year bond rate + 1%.
2. Lifetime returns include 2.05% of net gains in estimated fair value and -2.38% of equity accounted losses from early-stage equity investments that are still in the portfolio together with a net -0.38% of loss from investments that have exited the portfolio.
3. Annualised returns for the Clean Energy Innovation Fund include -41.25% of net reductions in estimated fair value of early-stage equity investments that are still in the portfolio.

Advancing Hydrogen Fund portfolio benchmark rate of return (PBR) (%)

1. The Advancing Hydrogen Fund targeted portfolio benchmark rate of return (PBR), established in the Investment Mandate Direction 2023, is the 5-year bond rate + 1%.
2. The first hydrogen project was committed and funded in the quarter ended 30 September 2021, and therefore this return is from that date through 30 June 2026. While the Advancing Hydrogen Fund is performing below its target benchmark rate of return, this is to be expected as it has only deployed c.\$16m to date across 2 transactions, and the hydrogen industry in Australia is still early-stage.

Powering Australia Technology Fund portfolio benchmark rate of return (PBR) (%)

1. The Powering Australia Technology Fund (PATF) targeted portfolio benchmark rate of return (PBR), established in the Investment Mandate Direction 2023, is the 5-year bond rate + 1%.
2. The first PATF project was committed and funded in the quarter ended 30 September 2023, and therefore this return is from that date through 30 June 2026.
3. The annualised loss is largely a result of 6.11% of equity accounted losses on early-stage equity investments where CEFC has more than a 20% interest and therefore recognises a change in their underlying net asset position rather than recording the investments at fair value.

Household Energy Upgrades Fund portfolio benchmark rate of return (PBR) (%)

1. The Household Energy Upgrades Fund (HEUF) targeted portfolio benchmark rate of return (PBR), established in the Investment Mandate Direction 2023, is the 5-year bond rate + 0.5%.
2. The cumulative return includes 4.58% of return from loan and fee income, -0.66% provision for impairment and -0.85% as a result of unrealised losses on bonds held at fair value. The first HEUF project was committed and funded in the quarter ended 31 March 2024, and therefore this return is from that date through 30 June 2026.
3. The annualised return includes 4.63% of return from loan and fee income, -2.16% as a result of unrealised losses on bonds held at fair value and -0.69% relating to impairment allowances for portfolio losses on loans.

Summary Financial Data continued

Figure 18: Rewiring the Nation Fund portfolio benchmark return (PBR)¹

	30 June 2026 Cumulative Actual	30 June 2026 Annualised
Funding appropriated to Special Account	\$19.65b	\$19.65b
Net drawn from Special Account	\$2.2b	\$2.2b
Net deployed portfolio	\$1.3b	\$1.3b
Return ² as a ratio of CEFC direct costs	0.773 : 1.000	0.931 : 1.000
Return ² as a ratio of CEFC direct costs including the Australian Government's cost of capital ³	0.469 : 1.000	0.491 : 1.000

Notes:

1. The Rewiring the Nation Fund (RTNF) targeted portfolio benchmark rate of return (PBR), established in the Investment Mandate Direction 2023, is an average return of at least the Corporation's cost of the Rewiring the Nation functions over the medium to long term. The above ratios have been calculated by applying a factor of 1.000 to the Corporation's cost of RTNF functions since inception/for the most recent annual period.
2. Performance against this benchmark is measured before any concession charges, such as impairment or mark-to-market adjustments resulting from any concessional component.
3. The Australian Government's cost of capital has been calculated using the weighted average 5-year Australian Government bond rate at the date funding is drawn from the Special Account as an equity injection into the CEFC.
4. The ratios of return relative to costs have improved year over year and are trending towards the target 1:1 ratio, as can be seen by the annualised ratio. However, the return is currently still less than the costs incurred to date on the RTNF as the fund has only recently commenced deploying significant amounts of capital which generate the return.

C. Concession

Figure 19: Disaggregated value of net concession provided for each of the General Portfolio and Sub-Funds

Under the Clean Energy Finance Corporation Investment Mandate Direction 2023, the CEFC is required to report on the disaggregate value of concessions provided for each of the General Portfolio and Sub-Funds. This information is set out below.

	FY26 \$'000	FY25 \$'000
General Portfolio	26,510	20,099
Advancing Hydrogen Fund	(304)	–
Clean Energy Innovation Fund	–	–
Powering Australia Technology Fund	(195)	(107)
Household Energy Upgrades Fund	14,076	6,427
Subtotal	40,087	26,419
Rewiring the Nation Fund	3,289,563	(52,003)
Total concessional loan charge/(reversal)	3,329,650	(25,584)
Disclosed in the financial statements as:		
Concessional loan charges on commitments during the year	3,339,373	141,038
Reversal of concessional loan charges on prior period commitments, due to reduction, expiration or early termination of concessional loan arrangements	(9,723)	(166,622)
Total concessional loan charge/(reversal)	3,329,650	(25,584)

D. Segmental Summary Financial Data

D1. General Portfolio – Summary financial data

Figure 20: General Portfolio new commitments, deployment and capital returned (\$'m)

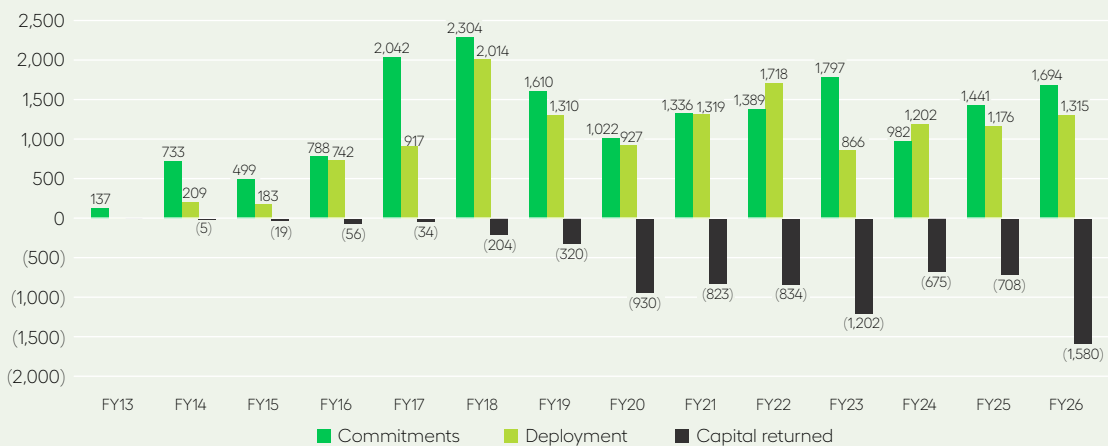
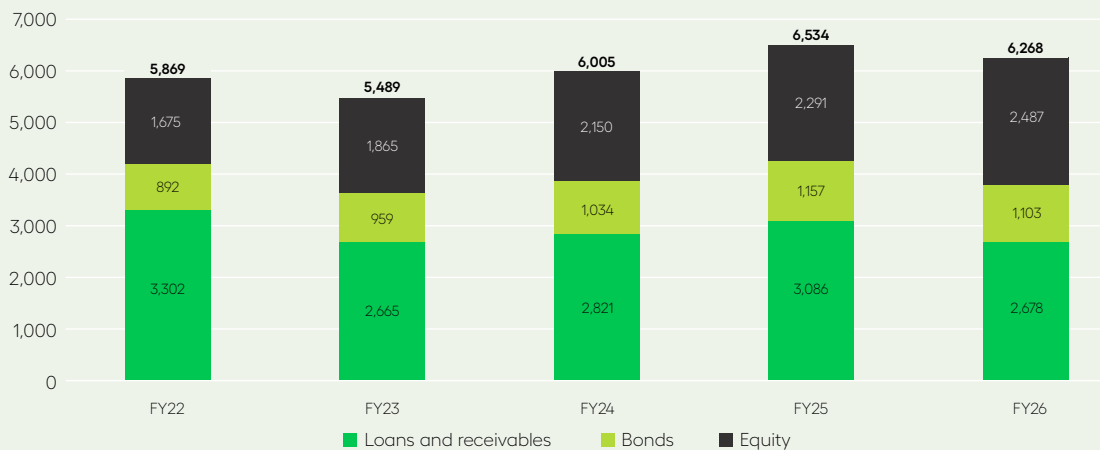


Figure 21: Net Deployed General Portfolio balance at 30 June (\$'m)



Summary Financial Data continued

Figure 22: Normalised General Portfolio surplus from operations (\$m)



Figure 23: Reconciliation of General Portfolio surplus from operations to normalised surplus from operations (\$m)

	FY22	FY23	FY24	FY25	FY26
Reported surplus/(loss) from operations	147.7	176.6	218.7	255.9	251.5
Less: Funding received from the Australian Government	(4.5)	(1.1)	–	–	–
Less: Bank Interest	(1.4)	(18.0)	(23.3)	(18.3)	(27.7)
Less: Fair value (gains)/losses from loans and bonds at fair value through profit & loss (FVTPL) net of realised (gains)/losses on sale	81.4	5.4	(11.3)	(21.0)	10.7
Less: Concessional discount unwind	(5.3)	(4.5)	(6.1)	(6.8)	(8.9)
Add: Concessional expense/(reversal)	7.5	13.3	4.3	20.1	26.5
Less: Loan modification unwind	(6.2)	(4.5)	(2.9)	(3.7)	(2.1)
Add: Loan modification expense/(reversal)	1.1	(4.8)	1.3	3.6	(2.2)
Normalised surplus from operations	220.3	162.4	180.7	229.9	247.7

Figure 24: General Portfolio own-source revenue (\$m)

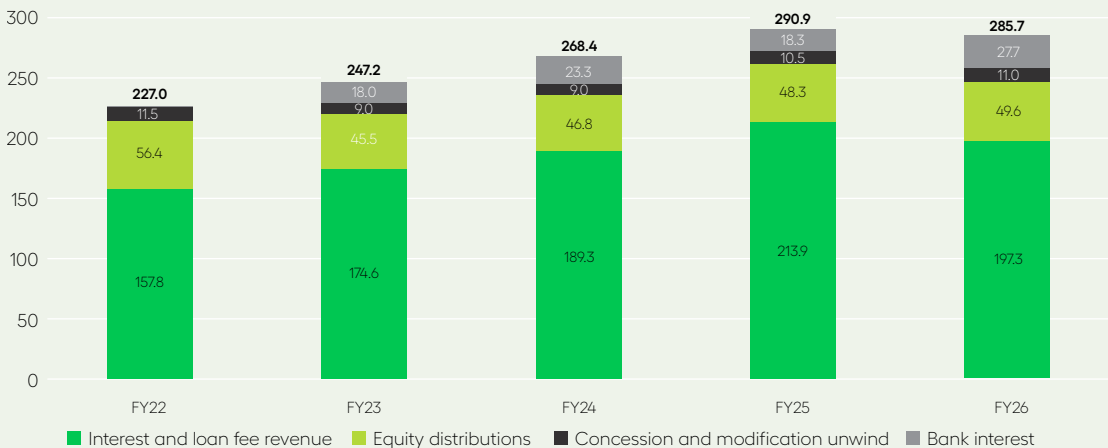
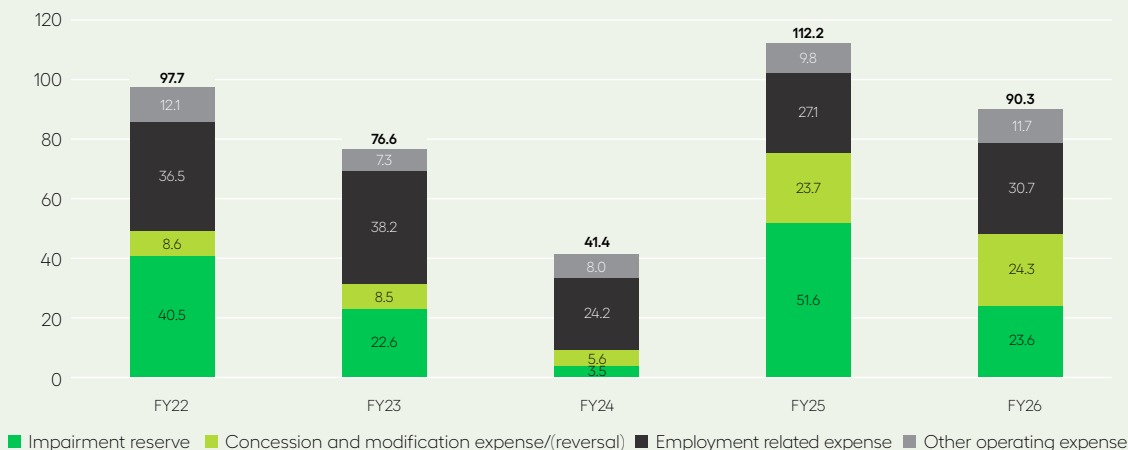


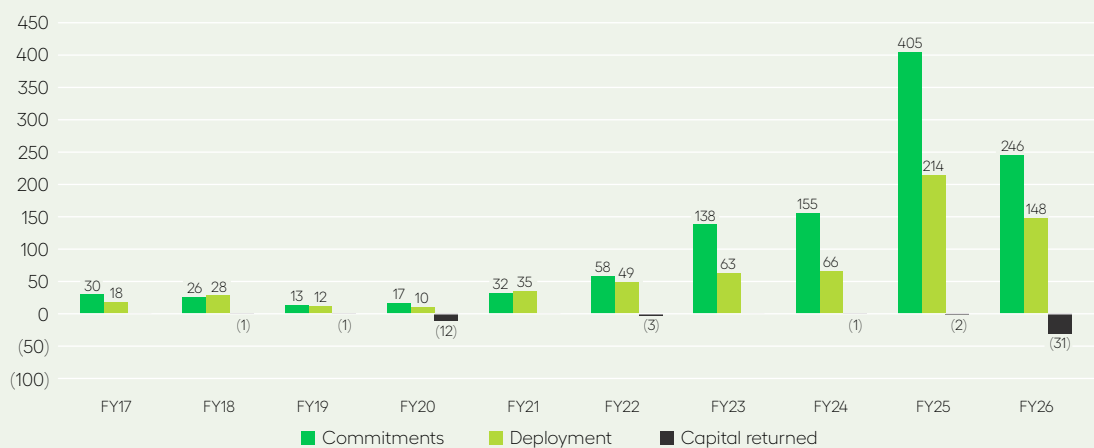
Figure 25: General Portfolio operating expenses, impairment, concession, modification (\$m)



Note: Employee costs attributed to the General Portfolio decreased in FY24, as internal resources were partially reallocated towards working on the RTNF and SIF segments.

D2. Specialised Investment Funds – Summary financial data

Figure 26: Specialised Investment Funds new commitments, deployment and capital returned (\$m)



Summary Financial Data continued

Figure 27: Net Deployed Specialised Investment Funds balance at 30 June (\$m)

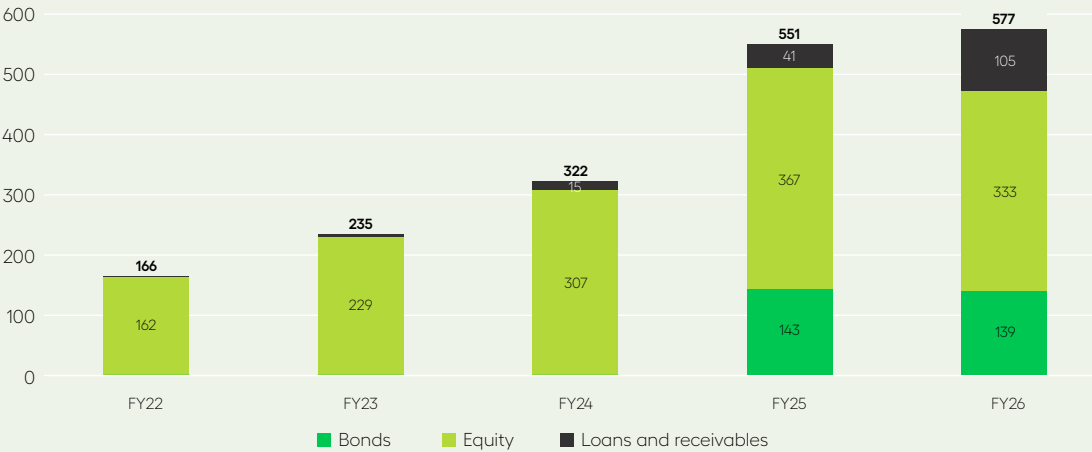


Figure 28: Net Deployed Specialised Investment Funds balance by Fund at 30 June (\$m)

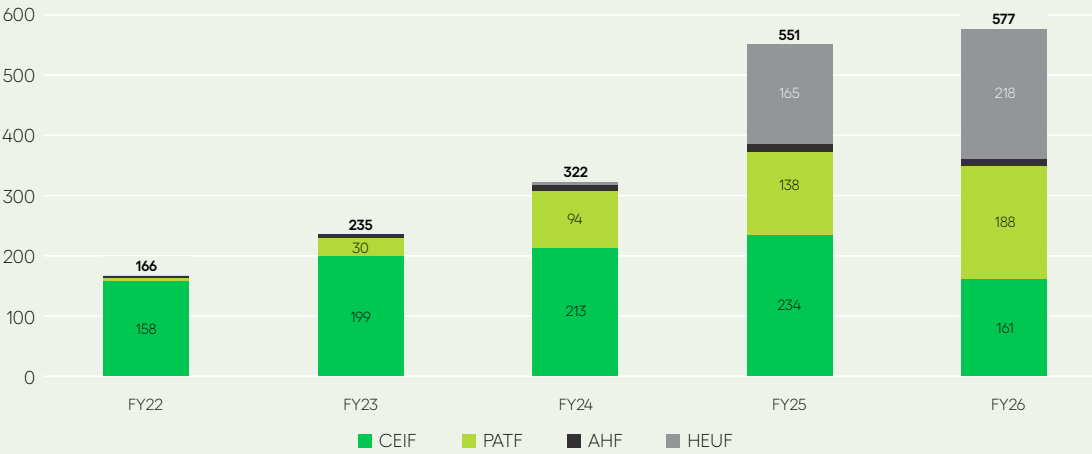
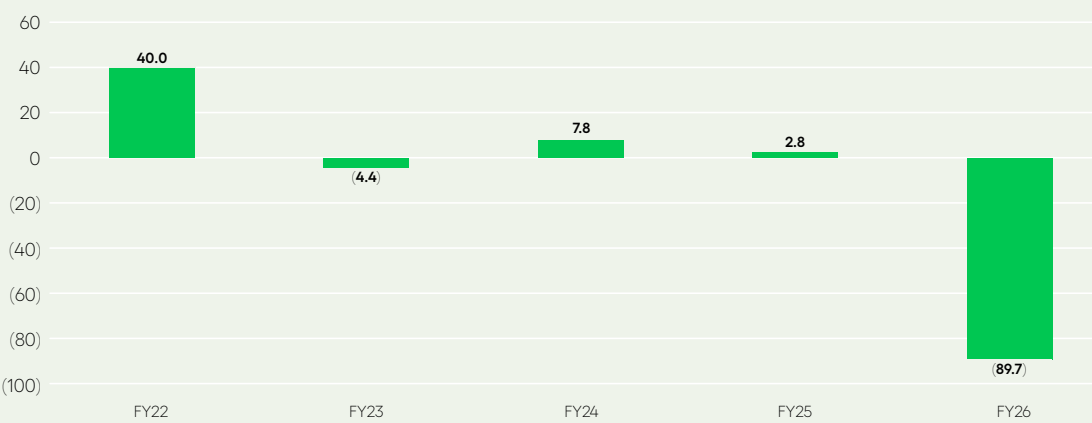


Figure 29: Specialised Investment Funds normalised surplus/(loss) from operations (\$m)

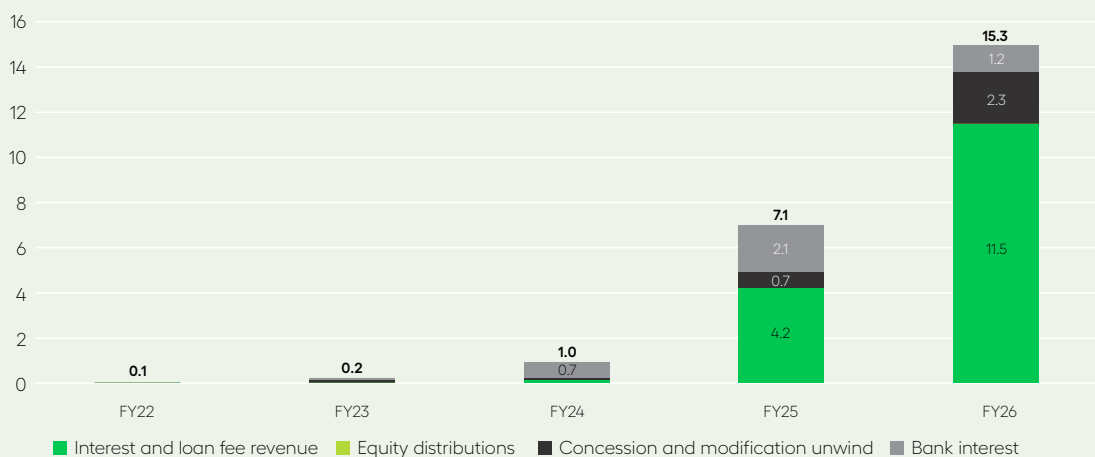


The loss in FY26 is primarily due to write-downs in the carrying values of two of the largest investments in early stage companies in the Clean Energy Innovation Fund.

Figure 30: Reconciliation of Specialised Investment Funds surplus/(loss) from operations to normalised surplus/(loss) from operations (\$m)

	FY22	FY23	FY24	FY25	FY26
Reported surplus/(loss) from operations	41.8	(1.1)	7.1	7.9	(98.7)
Less: Funding received from the Australian Government	(2.6)	(3.5)	(7.3)	(6.5)	(5.5)
Less: Bank Interest	(0.0)	(0.1)	(0.7)	(2.1)	(1.2)
Less: Fair value (gains)/losses from loans and bonds at fair value through profit & loss (FVTPL) net of realised (gains)/losses on sale	–	–	–	(2.0)	4.4
Less: Concessional discount unwind	(0.0)	(0.1)	(0.1)	(0.6)	(2.2)
Add: Concessional expense/(reversal)	0.8	0.4	8.1	6.3	13.6
Less: Loan modification unwind	–	–	(0.0)	(0.1)	(0.1)
Add: Loan modification expense/(reversal)	–	–	0.7	–	–
Normalised surplus/(loss) from operations	40.0	(4.4)	7.8	2.8	(89.7)

Figure 31: Specialised Investment Funds own-source revenue (\$m)

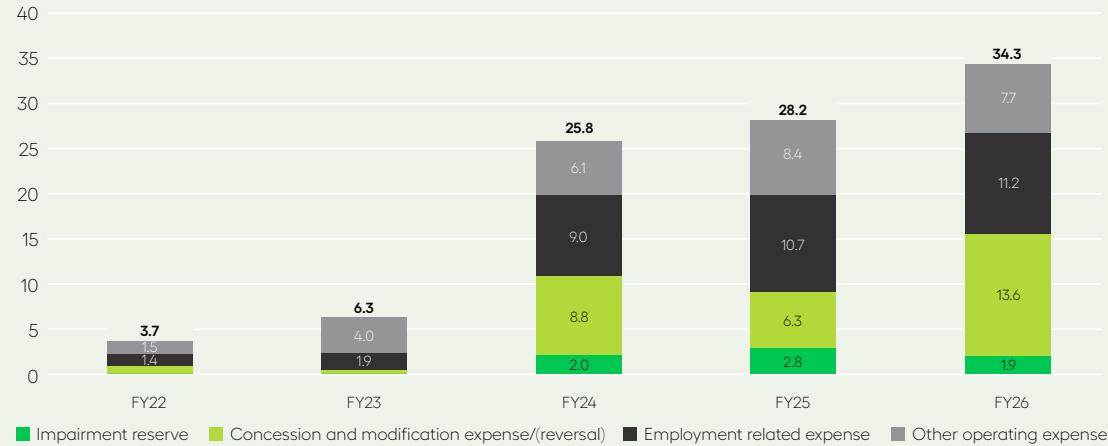


Summary Financial Data continued

Figure 32: Specialised Investment Funds fair value gains and losses (\$m)



Figure 33: Specialised Investment Funds operating expenses, impairment, concession, modification (\$m)



Notes

- a. CEIF only for periods prior to FY23.
- b. AHF was added in FY23.
- c. PATF and HEUF were added in FY24.

D3. Rewiring The Nation Fund – Summary financial data

Figure 34: Rewiring The Nation Fund new contractual commitments, deployment and capital returned (\$m)

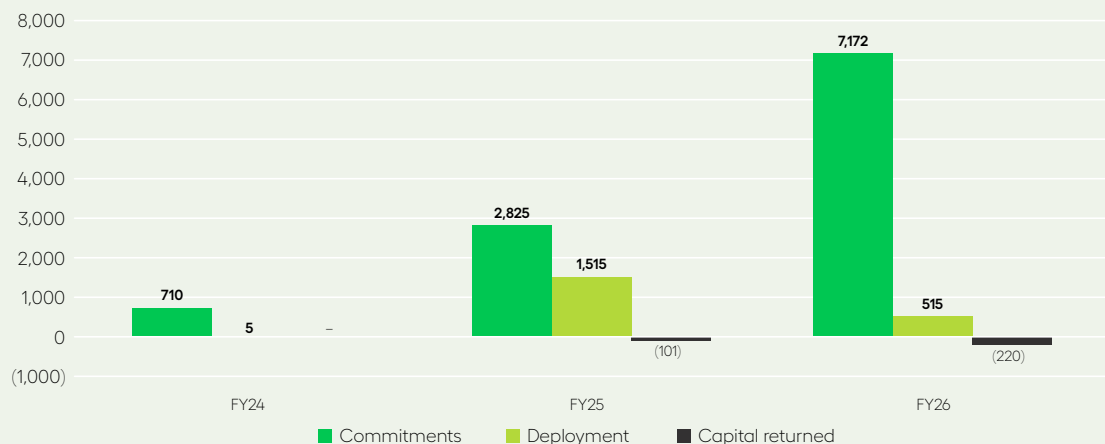
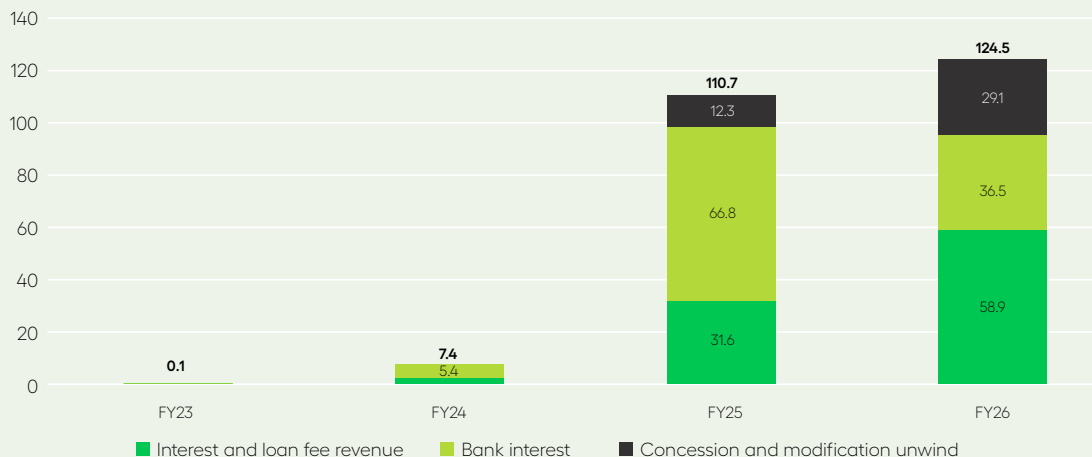


Figure 35: Rewiring The Nation Fund own-source revenue (\$m)



Summary Financial Data continued

Figure 36: Rewiring The Nation Fund normalised loss from operations (\$m)

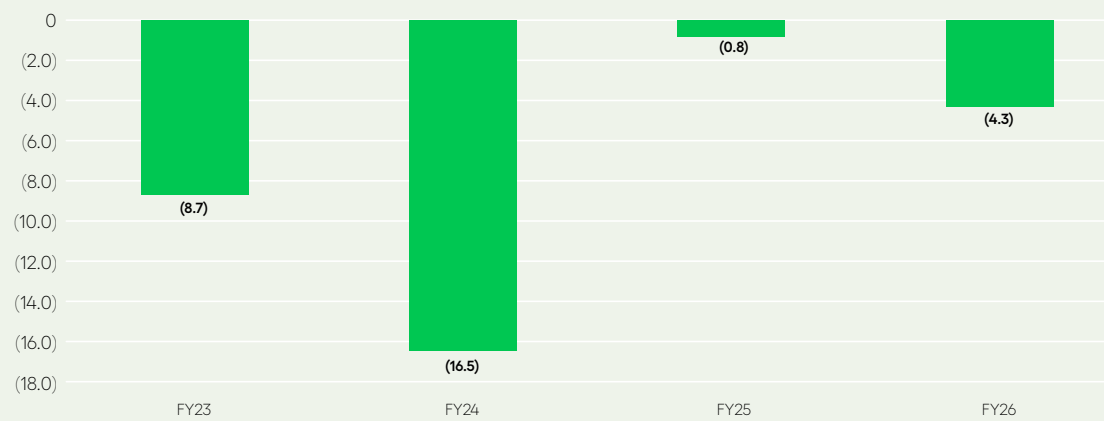
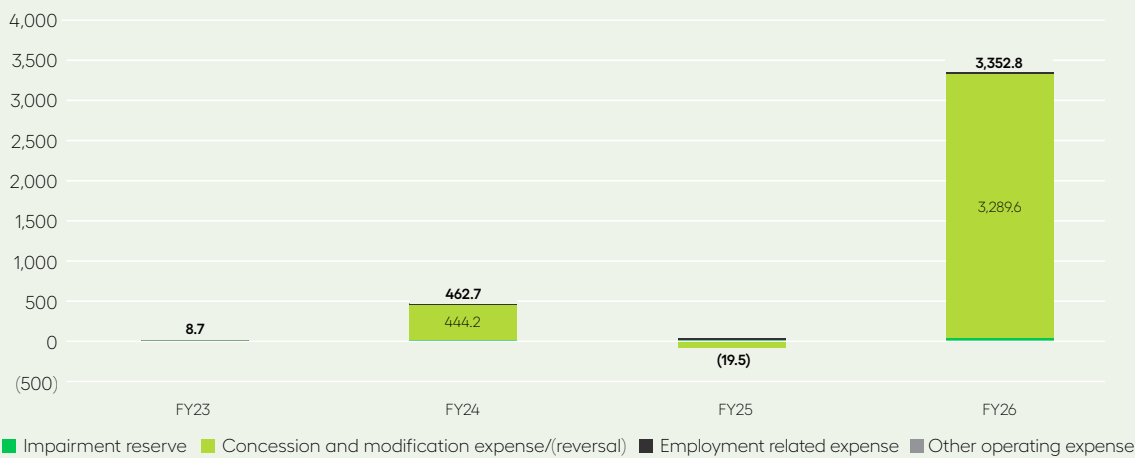


Figure 37: Reconciliation of Rewiring The Nation Fund loss from operations to normalised loss from operations (\$m)

	FY23	FY24	FY25	FY26
Reported surplus/(loss) from operations	(0.6)	(441.7)	144.5	(3,213.7)
Less: Funding received from the Australian Government	(8.0)	(13.5)	(14.3)	(14.5)
Less: Bank Interest	(0.1)	(5.4)	(66.8)	(36.5)
Less: Concessional discount unwind	–	(0.0)	(12.3)	(29.1)
Add: Concessional expense/(reversal)	–	444.2	(52.0)	3,289.6
Normalised loss from operations	(8.7)	(16.5)	(0.8)	(4.3)

Figure 38: Rewiring The Nation Fund operating expenses, impairment, concession, modification (\$m)



Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

To the Minister for Climate Change and Energy

Opinion

In my opinion, the financial statements of the Clean Energy Finance Corporation and its subsidiaries (together the 'Consolidated Entity') for the year ended 30 June 2026:

- (a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Consolidated Entity as at 30 June 2026 and its financial performance and cash flows for the year then ended.

The financial statements of the Consolidated Entity, which I have audited, comprise the following as at 30 June 2026 and for the year then ended:

- Statement by the Accountable Authority, Chief Executive Officer and Chief Financial Officer;
- Consolidated Statement of Comprehensive Income;
- Consolidated Statement of Financial Position;
- Consolidated Statement of Changes in Equity;
- Consolidated Cash Flow Statement; and
- Notes to the consolidated financial statements comprising material accounting information and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Consolidated Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The Accountable Authority is responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2026 but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Consolidated Entity, the Members of the Board ('Board') are responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation

Independent Auditor's Report continued

of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Board is also responsible for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the ability of the Consolidated Entity to continue as a going concern, taking into account whether the entity's operations will cease as a result of an administrative restructure or for any other reason. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Consolidated Entity audit. I remain solely responsible for my audit opinion.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Carla Jago
Acting Auditor-General

Canberra
27 August 2026

Statement by the Accountable Authority, Chief Executive and Chief Financial Officers

Clean Energy Finance Corporation
Statement by the Accountable Authority, Chief Executive and Chief Financial Officers

In our opinion, the attached financial statements for the year ended 30 June 2026 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* ('PGPA Act'), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Clean Energy Finance Corporation will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the directors.

			
Steven Skala AO Chair of the Board	Nicola Wakefield Evans AM Board Member	Ian Learmonth Chief Executive Officer	Andrew Powell Chief Financial Officer
26 August 2026	26 August 2026	26 August 2026	26 August 2026

Consolidated Statement of Comprehensive Income

for the year ended 30 June

	Notes	2026 \$'000	2025 \$'000
NET COST OF SERVICES			
EXPENSES			
Employee benefits	2.1A	59,915	52,743
Suppliers	2.1B	22,399	21,371
Depreciation and amortisation	3.2A	4,891	3,948
Finance costs	2.1F	548	211
Concessional loan charges	2.1C	3,339,373	141,038
Impairment loss allowance on financial assets	2.1D	121,634	64,218
Total expenses		3,548,760	283,529
OWN-SOURCE INCOME			
Own-source revenue			
Interest and loan fee revenue	2.2A	375,504	360,454
Distributions from trusts and equity investments	2.2B	50,042	48,287
Total own-source revenue		425,546	408,741
GAINS AND LOSSES			
Fair value losses on financial instruments	2.1E	(170,919)	(50,707)
Fair value gains on financial instruments	2.2C	108,272	104,480
Profit from disposal of assets	2.2D	51,542	13,847
Gain on reversal of prior period/(Loss) on modification of financial assets	2.1G	2,237	(3,628)
Reversal of prior period concessional loan charges	2.1C	9,723	166,622
Total net gains		855	230,614
Total own-source income		426,401	639,355
Net (cost of)/contribution by services		(3,122,359)	355,826
Revenue from government	2.3	20,020	20,800
Share of associates and joint ventures	3.1F	41,383	31,736
(Loss)/surplus from continuing operations		(3,060,956)	408,362
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Share of associates and joint ventures asset revaluation reserve	2.4A	2,877	9,286
Items subject to subsequent reclassification to net cost of services			
Share of associates gains/(losses) on financial assets at fair value through other comprehensive income	2.4A	2,532	(5,740)
Total comprehensive (loss)/income		(3,055,547)	411,908

The above statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

as at 30 June

	Notes	2026 \$'000	2025 \$'000
ASSETS			
Financial assets			
Cash and cash equivalents	3.1A	1,549,658	1,612,262
Trade and other receivables	3.1B	42,041	38,909
Loans and advances	3.1C	3,855,106	4,011,491
Other debt securities	3.1D	1,239,853	1,297,502
Equities and units in trusts	3.1E	1,656,505	1,806,449
Equity accounted investments	3.1F	704,462	775,005
Derivative financial assets	3.1G	18,229	13,956
Total financial assets		9,065,854	9,555,574
Non-financial assets			
Property, plant and equipment	3.2A	27,865	8,224
Prepayments		2,671	2,502
Total non-financial assets		30,536	10,726
Assets held for sale	3.1H	440,545	135,394
Total assets		9,536,935	9,701,694
LIABILITIES			
Payables and deferred revenue			
Suppliers		7,084	8,376
Deferred revenue	3.3A	55,651	49,637
Other payables	3.3B	17,311	15,697
Total payables and deferred revenue		80,046	73,710
Interest bearing liabilities			
Leases	3.4	27,021	5,689
Total interest-bearing liabilities		27,021	5,689
Provisions			
Employee provisions	5.1	9,479	6,853
Concession on undrawn loan commitments	3.5	3,302,979	142,323
Provision for make good of leased premises		436	598
Total provisions		3,312,894	149,774
Total liabilities		3,419,961	229,173
Net assets		6,116,974	9,472,521
EQUITY			
Contributed equity	4.1	7,878,363	8,178,363
Reserves	2.4A	32,775	27,366
(Accumulated deficit)/Retained surplus		(1,794,164)	1,266,792
Total equity		6,116,974	9,472,521

The above statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

for the year ended 30 June

	Retained Surplus/ (Accumulated Deficit)		Reserves		Contributed Equity		Total Equity	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
Opening balance								
Balance carried forward from previous year	1,266,792	858,430	27,366	23,820	8,178,363	5,913,363	9,472,521	6,795,613
Comprehensive income								
(Loss)/Surplus for the year	(3,060,956)	408,362	–	–	–	–	(3,060,956)	408,362
Other comprehensive income	–	–	5,409	3,546	–	–	5,409	3,546
Total comprehensive (loss)/income	(3,060,956)	408,362	5,409	3,546	–	–	(3,055,547)	411,908
Transactions with owners								
Contributions by owners								
Equity injection from CEFC Special Account	–	–	–	–	150,000	3,465,000	150,000	3,465,000
Distributions to owners								
Return of equity to CEFC Special Account	–	–	–	–	(450,000)	(1,200,000)	(450,000)	(1,200,000)
Total transactions with owners	–	–	–	–	(300,000)	2,265,000	(300,000)	2,265,000
Closing balance as at 30 June	(1,794,164)	1,266,792	32,775	27,366	7,878,363	8,178,363	6,116,974	9,472,521

The above statement should be read in conjunction with the accompanying notes.

Consolidated Cash Flow Statement

for the year ended 30 June

	Notes	2026 \$'000	2025 \$'000
OPERATING ACTIVITIES			
Cash received			
Receipts from Government		20,020	20,800
Interest and fees		332,756	328,476
Income distributions from trusts and equity investments		46,774	47,612
Total cash received		399,550	396,888
Cash used			
Employees		55,691	49,301
Suppliers		25,763	20,296
Interest payments on lease liabilities		496	164
Total cash used		81,950	69,761
Net cash from operating activities		317,600	327,127
INVESTING ACTIVITIES			
Cash received			
Principal loan repayments received		1,303,133	533,976
Sale of other debt securities		116,247	162,263
Sale of equities and units in trusts		309,241	62,758
Sale of investment in associates and joint ventures		127,838	27,770
Distributions from associates and joint ventures		26,291	10,247
Total cash received		1,882,750	797,014
Cash used			
Loans made to other parties		1,253,476	2,222,319
Purchase of other debt securities		135,500	412,718
Purchase of equities and units in trusts		262,239	112,229
Investment in associates and joint ventures		308,539	107,931
Purchase of property, plant and equipment		513	715
Total cash used		1,960,267	2,855,912
Net cash used by investing activities		(77,517)	(2,058,898)
FINANCING ACTIVITIES			
Cash received			
Contributed equity		150,000	3,465,000
Total cash received		150,000	3,465,000
Cash used			
Return of equity		450,000	1,200,000
Principal payments of lease liabilities		2,687	2,337
Total cash used		452,687	1,202,337
Net cash (used by)/from financing activities		(302,687)	2,262,663
Net (decrease)/increase in cash held		(62,604)	530,892
Cash and cash equivalents at the beginning of the reporting period		1,612,262	1,081,370
Cash and cash equivalents at the end of the reporting period	3.1A	1,549,658	1,612,262

The above statement should be read in conjunction with the accompanying notes.

Notes to Consolidated Financial Statements

Note 1: Overview	85	Note 4: Funding	110
1.1 Objectives of the Corporation	85	4.1: Contributed equity	110
1.2 Basis of preparation of the financial statements	86	Note 5: People and relationships	111
1.3 Taxation	86	5.1: Employee provisions	111
1.4 New Accounting Standards	87	5.2: Key management personnel remuneration	111
1.5 Events after the reporting period	88	5.3: Related party disclosures	112
Note 2: Financial performance	89	Note 6: Managing uncertainties	113
2.1: Expenses	89	6.1: Contingent assets and liabilities	113
2.1A: Employee benefits	89	6.2: Financial instruments	113
2.1B: Suppliers	89	6.2A: Categories of financial instruments	113
2.1C: Concessional loan charge/(reversal)	90	6.2B: Net gains or losses on financial assets	114
2.1D: Impairment loss allowance on financial assets	91	6.2C: Credit risk	115
2.1E: Fair value losses on financial instruments	92	6.2D: Liquidity risk	116
2.1F: Finance costs	93	6.2E: Market risk	117
2.1G: (Reversal)/Loss on modification of financial instruments	93	6.2F: Concentration of exposure	119
2.2: Own-source revenue and gains	93	6.2G: Climate-related risk	119
2.2A: Interest and loan fee revenue	93	6.3: Fair value of financial instruments	120
2.2B: Distributions from trusts and equity investments	94	6.4: Concessional loans	122
2.2C: Fair value gains on financial instruments	94	6.5: Committed credit facilities	122
2.2D: Profit from disposal of assets	94	6.6: Committed equity investments	122
2.3: Revenue from government	95	Note 7: Parent entity information	123
2.4: Gains included in other comprehensive income and reserves	95	7.1: Parent entity accounting policies	123
2.4A: Reconciliation of unrealised gains in reserves at 30 June 2026	95	7.2: Parent Entity Statement of Comprehensive Income	123
Note 3: Financial position	96	7.3: Parent Entity Statement of Financial Position	124
3.1: Financial assets	96	7.4: Notes to Parent Entity Financial Statements	125
3.1A: Cash and cash equivalents	99	7.4A: Investment in subsidiary	125
3.1B: Trade and other receivables	99	7.4B: Loan to subsidiary	125
3.1C: Loans and advances	100	7.4C: Trade and other receivables	125
3.1D: Other debt securities	103	Note 8: Other information	126
3.1E: Equities and units in trusts	105	8.1: Current/Non-current distinction for assets and liabilities	126
3.1F: Equity accounted investments	106	8.2: Segmental information	127
3.1G: Derivative financial assets	107	8.3: Budgetary reports and explanation of major variances	132
3.1H: Assets held for sale	108	8.3A: Budgetary reports	132
3.2: Non-financial assets	108	<i>Consolidated Statement of Comprehensive Income</i>	132
3.2A: Reconciliation of the opening and closing balances of property, plant and equipment and computer software	108	<i>Consolidated Statement of Financial Position</i>	133
3.3: Payables and deferred revenue	109	<i>Consolidated Statement of Changes in Equity</i>	134
3.3A: Deferred revenue	109	<i>Consolidated Cash Flow Statement</i>	135
3.3B: Other payables	109	8.3B: Major budget variances for 2025-26	136
3.4: Interest bearing liabilities	109		
3.5: Concession on undrawn loan commitments	109		

Note 1: Overview

1.1: Objectives of the Corporation

The Clean Energy Finance Corporation ('CEFC' or 'the Corporation') was established on 3 August 2012 under the *Clean Energy Finance Corporation Act 2012* (Cth) ('the CEFC Act') and is classified as a corporate Commonwealth entity in the General Government Sector. It is a not-for-profit entity solely owned and controlled by the Australian Government with medium to long-term portfolio benchmark return targets (before operating expenses).

The Corporation's objective is to facilitate increased flows of finance into the clean energy sector and to facilitate the achievement of Australia's greenhouse gas emissions reduction targets, by:

1. Applying commercial rigour, investing, directly and indirectly, in solely or mainly Australian-based clean energy technologies and projects, which can be any one or more of the following:
 - Renewable energy technologies and projects, which include hybrid technologies that integrate renewable energy technologies (including enabling technologies);
 - Energy efficiency technologies and projects, including technologies that are related to energy conservation technologies or demand management technologies (including enabling technologies); and
 - Low emissions technologies and projects.
2. Liaising with relevant persons and bodies, including the Australian Renewable Energy Agency (ARENA), the Northern Australia Infrastructure Facility (NAIF), Export Finance Australia (EFA), Housing Australia, the Regional Investment Corporation (RIC), the National Reconstruction Fund Corporation (NRFC), the Net Zero Economy Agency (NZEa), other Australian Government entities, and state and territory governments, for the purposes of facilitating its investment function.
3. Working with industry, banks and other financiers, and project proponents, to prepare and position the Australian economy and industry for a cleaner energy future; and
4. Doing anything incidental or conducive to the performance of the above functions.

Under s64 of the CEFC Act, the responsible Ministers may give the Board directions (i.e. an Investment Mandate) about the performance of the CEFC's investment function.

Throughout the year ended 30 June 2026, the applicable Investment Mandate was the *Clean Energy Finance Corporation Investment Mandate Direction 2023* (Investment Mandate 2023).

Among other things, the Investment Mandate 2023 requires the Corporation to:

- Make available up to:
 - \$19 billion through the Rewiring the Nation Fund (RTNF) for investments in projects that rebuild, modernise and strengthen Australia's electricity grids and energy systems. This is expected to be primarily achieved through investment in electricity transmission projects
 - \$200 million for debt and equity investment through the Clean Energy Innovation Fund (CEIF), which has a greater risk and a lower Portfolio Benchmark rate of return target than the CEFC's General Portfolio
 - \$300 million for the Advancing Hydrogen Fund for concessional finance designated in respect of hydrogen technologies with risk and return settings similar to the Innovation Fund
 - \$500 million through the Powering Australia Technology Fund (PATF) for investments to support the growth or expansion of clean energy technology projects, businesses and/or entities (of any form including, without limitation, companies and funds) to facilitate the development, commercialisation or take up of clean energy technologies
 - \$1 billion through the Household Energy Upgrades Fund (HEUF) for concessional finance to support the private sector to provide concessional loans to incentivise the uptake of clean energy technology measures for residential dwellings.
- Focus on clean energy technologies and financial products and structures that work to support Australia's greenhouse gas emissions reduction targets. In doing so the Board is strongly encouraged to prioritise investments that:
 - Unlock greater penetration of renewable energy and accelerate decarbonisation of Australia's electricity grid, while considering the potential impacts on reliability and security of electricity supply
 - Support the deployment of clean energy technologies in Australian industry
 - Support the development of clean energy manufacturing and processing capabilities in Australia
 - Support technologies and projects to assist Safeguard Mechanism facilities to reduce their emissions, consistent with Australia's national trajectory to net zero and while supporting their international competitiveness
 - Support greater uptake of clean energy technology measures in residential dwellings.

Notes to Consolidated Financial Statements continued

Note 1: Overview

- In addition to these focus areas, the Board should continue to seek out investments into:
 - Clean energy projects and businesses that support delivery of the Government's Reef 2050 Long-Term Sustainability Plan
 - Recycling or recycled content projects utilising clean energy technologies, with a particular focus on projects that promote National Waste Policy Action Plan 2019 targets and/or drive the use of recycled content, including waste plastics, paper, glass and tyres.
- In assessing its investments, the Corporation should, where practical, take into account that:
 - Social licence for the deployment of clean energy technologies is essential to their success
 - The provision of local employment opportunities in the delivery of clean energy technologies is a priority for the Australian Government
 - Projects in the waste sector should demonstrably adhere to the accepted waste hierarchy policies, to avoid, reduce, reuse and recycle waste
 - Bioenergy projects should source sustainable feedstocks, including avoiding adverse impacts on native forests.

During the prior year ended 30 June 2025, an additional \$0.65 billion was appropriated to the CEFC Special Account for the RTNF, however, an updated Investment Mandate reflecting this appropriation has not yet been received.

1.2: Basis of preparation of the financial statements

The consolidated financial statements of the Clean Energy Finance Corporation (the parent) and its subsidiary (collectively, the Group) are required by:

- a) section 42 of the PGPA Act; and
- b) section 74 of the CEFC Act.

The consolidated financial statements have been prepared in accordance with:

- a) the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* ('FRR'); and
- b) Australian Accounting Standards ('AAS') and Interpretations – including simplified disclosures for Tier 2 Entities under AASB 1060 issued by the Australian Accounting Standards Board ('AASB') that apply for the reporting period, with more extensive disclosures for Financial Instruments.

The consolidated financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain financial assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The accounting policies adopted in the preparation of these financial statements are consistent with the prior year's financial statements.

The consolidated financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Further disclosures about the parent company and its subsidiary can be found at Note 7.

1.3: Taxation

The Corporation is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST). The Corporation's wholly owned subsidiary, CEFC Investments Pty Limited (CIPL), is not exempt from income tax, however, CIPL has accumulated income tax losses at 30 June 2026, and has no certainty as to whether any benefit from those losses would ever be realised.

Revenues, expenses and assets are recognised net of GST except:

- a) where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- b) for receivables and payables.

The net amount of GST payable to the Australian Taxation Office is included as part of the payables or commitments.

The financial statements have been prepared on the basis that the Corporation is generally not entitled to input tax credits for GST included in the price of goods and services acquired because financial supplies, such as loans, are input taxed.

1.4: New Accounting Standards

New Australian Accounting Standards and amendments to Australian Accounting Standards that are either effective in the current financial year or have been early adopted.

Standard/Interpretation	Application date for the Group
AASB 2023–5: Amendments to Australian Accounting Standards – Lack of Exchangeability This Standard amends AASB 121 <i>The Effects of Changes in Foreign Exchange Rates</i> and AASB 1 <i>First-time Adoption of Australian Accounting Standards</i> to require a consistent approach to assessing whether a currency is exchangeable into another currency and, where it is not, the spot exchange rate to use. The Group transacts predominantly in Australian dollars and holds no material balances in currencies that lack exchangeability; application of this Standard has had no material impact on the Group's financial statements.	1 July 2025
AASB 2024–4: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 This Standard defers the mandatory application date of the amendments originally made by AASB 2014–10 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> to annual reporting periods beginning on or after 1 January 2028. The deferral has had no impact on the Group's financial statements.	1 July 2025
AASB 2026–1: Amendments to Australian Accounting Standards – Disclosures about Uncertainties in the Financial Statements This Standard adds illustrative examples to the guidance accompanying AASB 136 <i>Impairment of Assets</i> and AASB 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i> to illustrate how an entity discloses information about uncertainties in its financial statements. It does not change the recognition, measurement or disclosure requirements of those Standards, and application has had no material impact on the Group's financial statements.	1 July 2025
AASB S2: Climate-related Disclosures AASB S2 <i>Climate-related Disclosures</i> (which incorporates IFRS S2 <i>Climate-related Disclosures</i> issued by the International Sustainability Standards Board) applies to annual reporting periods beginning on or after 1 January 2025 and requires an entity to disclose information about climate-related risks and opportunities. AASB S2 is a sustainability reporting standard: it does not change the recognition, measurement, presentation or disclosure requirements of these general-purpose financial statements. As a corporate Commonwealth entity, the Group's climate-related disclosures are prepared under the Australian Government's Commonwealth Climate Disclosure framework and are presented in the Annual Report outside these financial statements. Given the centrality of climate-related and financed-emissions reporting to the Group's role as a clean energy financier, the Group has elected to note the Standard here, notwithstanding that it does not affect the financial statements.	1 July 2025

Notes to Consolidated Financial Statements continued

Note 1: Overview

New Australian Accounting Standards and amendments to Australian Accounting Standards and Interpretations that are not yet effective for the financial year.

Standard/Interpretation	Application date for the Group
AASB 2024-2: Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments	1 July 2026 earlier application is permitted
AASB 2024-3: Amendments to Australian Accounting Standards – Annual Improvements Volume 11	1 July 2026 earlier application is permitted
AASB 2025-3: Contracts Referencing Nature-dependent Electricity: Tier 2 Disclosures	1 July 2026 earlier application is permitted
AASB 18: Presentation and Disclosure in Financial Statements	1 July 2028 earlier application is permitted
AASB 2024-4: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128	1 July 2028 earlier application is permitted

Accounting standards and interpretations issued but not yet effective are not expected to have a material impact on the Group's financial disclosures.

AASB 18 *Presentation and Disclosure in Financial Statements* may, however, change the presentation of the statement of comprehensive income and the structure of related note disclosures when it applies to the Group from 1 July 2028; the Group is assessing its effect.

1.5: Events after the reporting period

There have been no significant events subsequent to balance date.

Note 2: Financial performance

This section analyses the financial performance of the Group for the year ended 30 June.

2.1: Expenses

2.1A: Employee benefits

	2026 \$'000	2025 \$'000
Wages and salaries	52,761	47,996
Superannuation – defined contribution plans	4,068	3,633
Leave and other entitlements	2,627	1,105
Separation and redundancies	459	9
Total employee benefits	59,915	52,743

2.1B: Suppliers

	2026 \$'000	2025 \$'000
Goods and services supplied or rendered		
Annual report	75	136
Consultants and contractors	3,914	4,203
Custody, facility, filing and investment management fees	6,644	6,805
Data feeds and other subscriptions	1,550	1,351
Facility services and outgoings	857	690
Financial statement audit services	234	220
Information technology services	2,814	2,590
Insurance	269	256
Internal audit services	484	247
Legal fees	562	735
Marketing and communications	1,102	715
Recruitment services	429	445
Staff training and development	546	514
Telecommunications	183	209
Travel and incidentals	2,046	1,686
Other	615	503
Total goods and services supplied or rendered	22,324	21,305
Goods supplied	642	511
Services rendered	21,682	20,794
Total goods and services supplied or rendered	22,324	21,305
Other suppliers		
Workers' compensation expenses	75	66
Total other suppliers	75	66
Total suppliers	22,399	21,371

Notes to Consolidated Financial Statements continued

Note 2: Financial performance

Leasing commitments

The Group has entered into operating leases for office premises which expire between October 2027 and February 2034. Payments in connection with these rental agreements are disclosed as follows:

	2026 \$'000	2025 \$'000
Rental paid is recognised as:		
Finance cost	496	164
Reduction in lease liability	2,687	2,337
Total premises lease payments	3,183	2,501
The amount expensed for premises rental is recognised as:		
Finance cost	496	164
Depreciation of right of use asset	3,275	2,315
Total premises lease expense	3,771	2,479

Financial statement audit services

Audit fees payable to the Australian National Audit Office for the audit of the consolidated financial statements of the Group are as follows:

	2026 \$'000	2025 \$'000
Australian National Audit Office	246	237

Insurance

	2026 \$'000	2025 \$'000
The amount expensed for insurance is recognised as:		
Gross premium paid	284	256
Comcover premium offset	(15)	–
Total insurance expense	269	256

2.1C: Concessional loan charge/(reversal)

	2026 \$'000	2025 \$'000
Concessional loan charges on commitments during the year	3,339,373	141,038
Reversal of concessional loan charges on prior period commitments, due to reduction, expiration or early termination of concessional loan arrangements	(9,723)	(166,622)
Total concessional loan charge/(reversal)	3,329,650	(25,584)

Accounting policy

The Group is required to record a non-cash concessional loan charge when it makes a loan at a discount to the prevailing market equivalent rates or terms. This non-cash charge is recorded as a liability at loan origination and offset to loans and advances when the loan is drawn down. The charge will unwind over the term of the underlying loan and be shown as concessional loan income. Over the full life of the loan, the impact on the reported profit or loss of the Group from the charge and income will net to \$Nil. When a concessional loan commitment is reduced or a loan is terminated earlier than anticipated and therefore the full amount of concession is no longer being granted, any unamortised concessional charge is reversed against the concessional loan charge.

Accounting judgements and estimates

The Group will generally seek to maximise its return and provide only the level of discount from market rates/terms that is required to ensure the project proceeds. This may involve the Group taking a position that is not generally offered by other market participants (e.g. longer term fixed-rate debt, subordinated debt or unsecured debt, lending to thinly capitalised entities or companies with less strong credit ratings, etc.) and at rates that are below those that an equivalent market participant would require.

However, for investments made through the RTNF, the Board is required to consider opportunities to enhance benefits to electricity consumers by RTNF investments and the renewable energy generation facilitated by those investments. This will typically involve a larger discount from market rates/terms (i.e. higher concession) to either pass through the benefits of lower costs to electricity consumers, or to facilitate investment in an RTNF-eligible project.

The Group is required to record a concessional loan discount in relation to such loans and this requires extensive judgement in determining the 'market equivalent rate', particularly in the case of loans with unique credit positions or very long tenors, so as to ascertain the extent of the implicit discount attached to the loan. This involves benchmarking to market rates for similar facilities and adjusting for specific differences in tenor, creditworthiness, security, etc. Further judgement is also required to be exercised in relation to the anticipated profiles under which loans will be drawn down, as well as the rates at which they are expected to amortise, so the extent of concessionality being offered in the transactions can be estimated.

2.1D: Impairment loss allowance on financial assets

	2026 \$'000	2025 \$'000
Impairment charge on loans carried at amortised cost	62,924	64,684
Impairment (reversal)/charge on other debt securities carried at amortised cost	(134)	42
Impairment charge on loans and debt securities carried at amortised cost	62,790	64,726
Impairment charge/(reversal) on interests in associates and joint ventures	58,844	(508)
Total impairment charge on financial assets	121,634	64,218

Accounting judgements and estimates

Impairment charge on loans and debt securities carried at amortised cost

The Group reviews its individually significant loans carried at amortised cost at each reporting date to assess whether an impairment loss should be recorded in the statement of comprehensive income. In particular, Management's judgement is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

Loans and other debt securities at amortised cost that have been assessed individually (and found not to be impaired) are assessed together with all individually insignificant loans and advances in groups of assets with similar risk characteristics. The calculation of the impairment provision under AASB 9 includes judgements about:

- Shadow Credit Ratings (SCR) and forward-looking macro-economic indicators, from which the Probability of Default (PD) is derived;
- Loss given default (LGD);
- Future cashflows, used to determine Exposure at Default (EAD);
- Performance rating (PR) and indicators of a Significant Increase in Credit Risk (SICR), which determines whether an asset is moved to provisioning Stage 2;
- Portfolio segmentation; and
- Scenarios and their relative weighting.

Notes to Consolidated Financial Statements continued

Note 2: Financial performance

The Group has selected a combination of PR and change in SCR, beyond predetermined thresholds, as the primary lead indicators of SICR.

Loans and other debt securities with the following performance ratings are deemed to have a SICR for the purpose of calculating AASB 9 statistical impairment provision:

- PR2 or worse for loans with current SCR BB+ and below
- PR3 or worse for loans with current SCR AAA to BBB-

The current SCR of each debt instrument is compared with the SCR at origination and the following notch downgrades are taken as indicators of SICR:

- 3 notch downgrade in loans with origination SCR's of AAA to A+
- 2 notch downgrade in loans with origination SCR's of A to BBB+
- 1 notch downgrade in loans with origination SCR of BBB and below

All significant loans carried at amortised cost are also assessed for other indicators of a SICR which may not (yet) be reflected in a downgrade of either the PR or SCR ratings, and where appropriate are advanced to provisioning Stage 2.

The Group's impairment provisioning methodology is discussed further in Note 3.1.

Impairment charge on interests in associates and joint ventures

At the end of each reporting period, Management reviews the Group's investments in associates and joint ventures for indicators of impairment. Where there is an indicator of impairment, the carrying amount of the investment is tested for impairment by comparing its recoverable amount with its carrying value. Impairment losses are recognised in the impairment loss allowance. A reversal of a previously recognised impairment loss is recognised only to the extent that the investment's carrying value does not exceed the carrying amount that would have been determined (including consideration of any equity accounted losses) if no impairment loss had been recognised.

2.1E: Fair value losses on financial instruments

	2026 \$'000	2025 \$'000
Fair value losses on other debt securities carried at FVTPL	18,075	522
Fair value losses on equities and units in trusts carried at FVTPL	119,806	44,061
Reversal of prior years' unrealised gains now realised on disposal (refer Note 2.2D)	33,038	6,124
Total fair value losses on financial instruments	170,919	50,707

Accounting judgements and estimates

Fair value losses on loans and financial investments carried at FVTPL

Loans and financial investments carried at FVTPL are individually revalued (marked-to-market) each period-end with any decrease in value recorded as a fair value loss.

Further information on the valuation methodology can be found at Note 2.2C: Fair value gains on financial instruments.

2.1F: Finance costs

	2026 \$'000	2025 \$'000
Interest on lease liabilities	496	164
Unwinding of discount	52	47
Total finance costs	548	211

The above lease disclosures should be read in conjunction with Notes 2.1B and 3.4.

2.1G: (Reversal)/Loss on modification of financial instruments

	2026 \$'000	2025 \$'000
Loans measured at amortised cost	–	3,628
Reversal of prior period modification loss of financial instruments	(2,237)	–
Total (reversal)/loss on modification of financial instruments at amortised cost that were not derecognised	(2,237)	3,628

Accounting policy

The Group accounts for substantial modification of terms of an existing asset or part of it as an extinguishment of the original financial asset and the recognition of a new asset. Where the Group exchanges, with the existing borrower, one debt instrument into another one without substantially different terms, such exchange is accounted for as a modification of the original financial asset rather than an extinguishment and recognition of a new financial asset.

The loan modification is unwound as interest and loan fee revenue, using the effective interest rate method, over the life of the modified facility.

2.2: Own-source revenue and gains

2.2A: Interest and loan fee revenue

	2026 \$'000	2025 \$'000
Interest and fees from loans and advances	214,395	203,380
Interest from other debt securities	53,239	46,373
Interest from cash and short-term investments	65,456	87,168
Unwind of concessional interest rate discount	40,229	19,750
Unwind of loan modification loss	2,185	3,783
Total interest and loan fee revenue	375,504	360,454

Accounting policy

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Interest and fee revenue is recognised as interest accrues using the effective interest method as set out in AASB 9 *Financial Instruments*. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset. Deferred income received in cash at the start of a loan is brought to income on an effective yield basis over the life of the loan by reducing the carrying amount.

Interest revenue on assets held at FVTPL is calculated with reference to the amortised cost of the asset, ignoring the impact of fair value gains and losses on the asset's carrying value.

Notes to Consolidated Financial Statements continued

Note 2: Financial performance

2.2B: Distributions from trusts and equity investments

	2026 \$'000	2025 \$'000
Distributions from trusts and equity instruments	50,042	48,287
Total distributions from trusts and equity investments	50,042	48,287

Accounting policy

Distributions from trusts and equity investments are recognised as revenue upon the Group becoming irrevocably entitled to the relevant distributions.

2.2C: Fair value gains on financial instruments

	2026 \$'000	2025 \$'000
Fair value gains on other debt securities carried at FVTPL	2,949	21,867
Fair value gains on equities and units in trusts carried at FVTPL	93,039	79,425
Fair value gains on derivatives for investment carried at FVTPL	4,274	597
Reversal of prior years' unrealised losses now realised on disposal (refer Note 2.2D)	8,010	2,591
Total fair value gains on financial instruments	108,272	104,480

Accounting judgements and estimates

Loans, Other debt securities (comprising bank and other bonds) and Equities and units in trusts carried at FVTPL are individually revalued to their fair value each period-end with any increase in value recorded as a Fair value gain.

In revaluing these assets, the Group uses publicly-quoted prices (for example from Bloomberg in the case of bank and other publicly traded bonds) at the period end where available.

Where quoted prices are not available for a particular asset the Group adopts an internally generated valuation. Judgement is applied in selecting some of the variables applied in arriving at a valuation.

For non-publicly traded bonds and loans, the valuation is determined by applying the most appropriate market interest rate curve to the predicted future cashflows from the instrument.

For unquoted equities, valuations are undertaken consistent with the APRA Prudential Practice Guide SPG 531 – Valuation and the International Private Equity and Venture Capital Valuation Guidelines recommended by the Australian Investment Council (formerly Australian Private Equity and Venture Capital (AVCAL)).

2.2D: Profit from disposal of assets

	2026 \$'000	2025 \$'000
Realised gains on disposal of financial investments carried at FVTPL		
Investments in trusts and equity instruments	41,155	5,527
Investments in debt securities	37	3,185
Realised losses on disposal of financial investments carried at FVTPL		
Investments in trusts and equity instruments	(8,064)	(344)
Investments in debt securities	–	(2,418)
Realised gains on sale of equity accounted investments	18,252	7,897
Gains on disposal of fixed assets	162	–
Net profit on disposal of assets	51,542	13,847

\$8.0 million of the loss on disposal of assets (2025: \$2.6 million) had been recognised in prior years through the Statement of Comprehensive Income as fair value losses. Refer Note 2.2C.

\$33.0 million of the profit from disposal of assets (2025: \$6.1 million) had been recognised in prior years through the Statement of Comprehensive Income as fair value gains. Refer Note 2.1E.

Accounting policy

In accordance with AASB 9, financial assets carried at FVTPL are measured at fair value with unrealised gains or losses recognised as fair value gains/(losses) on financial instruments until the asset is derecognised, at which time the cumulative gain or loss is recognised as a profit/(loss) on disposal of assets.

2.3: Revenue from government

	2026 \$'000	2025 \$'000
Contribution from Department of Climate Change, Energy, the Environment and Water towards operating costs of the:		
Household Energy Upgrades Fund	2,602	2,469
Powering Australia Technology Fund	2,889	4,060
Rewiring the Nation Fund	14,529	14,271
Total revenue from Government	20,020	20,800

2.4: Gains included in other comprehensive income and reserves

2.4A: Reconciliation of unrealised gains in reserves at 30 June 2026

	Share of associates and joint ventures		
	Asset revaluation reserve \$'000	Gains on financial assets at FVOCI \$'000	Total \$'000
Unrealised gains included in reserves, 1 July 2025	21,086	6,280	27,366
Unrealised gains recorded in other comprehensive income during 2026	2,877	2,532	5,409
Unrealised gains included in reserves, 30 June 2026	23,963	8,812	32,775

Notes to Consolidated Financial Statements continued

Note 3: Financial position

This section analyses the Group's assets used to conduct its operations and the operating liabilities incurred as a result.

(Employee-related information is disclosed in the People and Relationships section).

3.1: Financial assets

Accounting policy for financial assets

Classification

The Group classifies its financial assets into the following categories:

- a) Amortised cost
- b) Fair value through profit or loss ('FVTPL')
- c) Fair value through other comprehensive income ('FVOCI').

The classification depends on the nature and purpose of the financial asset and is determined at the time of initial recognition.

Recognition and measurement

Financial assets at amortised cost are initially recognised at their fair value after taking into account any concessionality. After initial recognition, they are measured at amortised cost using the effective interest method less any impairment recorded. Interest is recognised by applying the effective interest rate.

Financial assets at FVTPL are carried at fair value with any gains or losses resulting from a change in fair value recorded in as a gain/(loss) in the Statement of Comprehensive Income.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - a) The Group has transferred substantially all the risks and rewards of the asset
 - b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Gains or losses on the disposal of a financial asset are recorded in the Statement of Comprehensive Income.

Impairment of financial assets held at amortised cost

The Group adopts a three-stage approach to impairment provisioning as follows:

- Stage 1 – the recognition of 12 month expected credit losses (ECL), that is the portion of lifetime expected credit losses from default events that are expected within 12 months of the reporting date, if credit risk has not increased significantly since initial recognition
- Stage 2 – lifetime expected credit losses for financial instruments for which credit risk has increased significantly since initial recognition
- Stage 3 – lifetime expected credit losses for financial instruments which are credit impaired.

Refer to Note 2.1D for further information on the impairment provisioning stages.

Judgements and estimates

The Group is required to ascertain the extent to which its loans and other debt securities held at amortised cost are likely to be recoverable. Given the risk position that may be assumed by the Group in its various loans (e.g. senior debt, unsecured debt, subordinated or mezzanine debt, longer terms, electricity price volatility, etc) it is considered possible that the Group will not fully recover 100% of the principal relating to all the loans it makes. A specific impairment provision is raised where the Group has identified individual loans that are not expected to be fully recoverable at the reporting date.

At the end of each reporting period the Group assesses whether there is objective evidence that a financial asset or group of financial assets is in default and impaired and, therefore, falls under Stage 3 of the AASB 9 impairment provisioning methodology. A financial asset or a group of financial assets is impaired (and impairment charges are recognised) if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Group about the following loss events:

- a) Significant financial difficulty of the issuer or obligor
- b) A breach of contract, such as a default or delinquency in interest or principal payments
- c) The Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the

borrower a concession that the Group would not otherwise consider

- d) It becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- e) The disappearance of an active market for that financial asset because of financial difficulties
- f) Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:
 - i) Adverse changes in the payment status of borrowers in the group
 - ii) National or local economic conditions that correlate with defaults on the assets in the group.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If there is objective evidence that an impairment loss on loans and receivables has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced either directly or through the use of an allowance account. The expected credit loss (ECL) of assets at provisioning Stage 3 is measured as the difference between the contractual and expected future cash flows from the individual exposure, discounted using the effective interest rate for that exposure.

If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. These assets are classified as being in either:

- Stage 1 – the recognition of 12 month expected credit losses (ECL), that is the portion of lifetime expected credit losses from default events that are expected within 12 months of the reporting date, if credit risk has not increased significantly since initial recognition
- Stage 2 – lifetime expected credit losses for financial instruments for which credit risk has increased significantly since initial recognition.

For loans at Stage 1, ECL is measured as the product of the 12-month Probability of Default (PD), the Loss Given Default (LGD) and Exposure at Default (EAD), adjusted for forward-looking information.

For loans at Stage 2, ECL is measured as the product of lifetime PD, LGD and EAD, adjusted for forward-looking information.

Loans that are in Stage 3 and, therefore, individually assessed for impairment are not included in a collective assessment of impairment.

The statistically calculated impairment provision for each financial asset is determined with reference to the EAD net of any unamortised concessionality balance at the period end.

The expected credit loss also considers forward looking information to recognise impairment allowances earlier in the lifecycle of an investment.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated. The Group has further stratified its amortised cost portfolio into Corporate Loans and Project Finance and into Electricity, Financial Services, Infrastructure, Property and Other sectors for impairment provisioning purposes.

The Group has identified the following as forward-looking macro-economic risk indicators for different segments within our amortised cost loan portfolio:

- Electricity prices
- Foreign exchange rate
- Interest rates
- GDP
- Property prices.

The Group's impairment provisioning model uses four scenarios, with a probability assigned to each of them, in calculating the impairment provision. The impairment provision adopted is based on the weighted average of the provisions calculated under each of these scenarios:

Scenario	Weighting 2026	Weighting 2025
Base case	50%	55%
Upside	10%	10%
Downside	35%	30%
Electricity price collapse	5%	5%
Total statistically calculated provision	100%	100%

Notes to Consolidated Financial Statements continued

Note 3: Financial position

The provision at 30 June 2026, under these scenarios would have been between \$118.8 million and \$418.5 million and has been calculated on a weighted average basis as \$186.2 million as follows:

Scenario	Key Assumptions at 30 June 2026	Statistical Provision \$m	Weighted Value \$m
Base case	• Electricity prices: Most recent quarterly forecast of bundled wholesale prices sourced from an independent consultancy in both 2026 and 2025. • Foreign exchange rate: June quarterly forecasts sourced from a financial information service at 30 June 2026 and 2025. • Interest rates: Average June quarterly forecasts sourced from a financial information service at 30 June 2026 and 2025. • GDP: Real GDP forecast sourced from a financial information service at 30 June 2026 and 2025. • Property prices: In line with market expectations.	152.2	76.1
Upside	Electricity prices are assumed to be 20% higher than the Base case from 1 July 2027 onwards. Property prices increase by 2% more than the Base case. GDP and interest rates are the same as the Base case.	118.8	11.9
Downside	Electricity prices are 35% lower than the Base case. Property prices are from 10% to 25% lower than market expectations. Interest rates are 2.5% higher than Base Case. Real GDP percentage change on preceding year equals Base Case minus 2%.	220.7	77.2
Electricity price collapse	As for Downside scenario, however, bundled electricity prices drop to \$40/MWh and remain at that level.	418.5	20.9
Total provision calculated with reference to above scenarios (AASB 9 stages 1 and 2)			186.2
Specific provision for financial instruments considered to be credit impaired (AASB 9 stage 3)			76.2
			262.4

The total impairment provision of \$262.4 million is disclosed as \$260.4 million against loans and advances (refer Note 3.1C) and \$2.0 million against other debt securities (refer Note 3.1D):

In addition to the statistically modelled output, three Management adjustment overlays have been applied. These are a model overlay, a sector-specific risk overlay and a geopolitical risk overlay. The purpose of these overlays is to compensate for the unique risks of the Group's portfolio. The model overlay is considered necessary in view of the specific model and historical data limitations used in calculating the statistical provision. The sector specific risk overlay relates to financial risks specific to electricity generation projects (such as fluctuations in wholesale electricity prices, delays being experienced in construction and in connection to the network and some failures of and difficulties experienced by EPC contractors) that impact multiple loans but have not resulted in a SICR for any specific loan and this has been calculated with reference to a number of modelled scenarios. The geopolitical risk overlay has been established during the year ended 30 June 2026 for potential loan impairments arising from latent impacts on borrowers of geopolitical events such as fuel price increases and supply chain disruption arising from conflict in the Middle East.

The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Group to reduce any differences between loss estimates and actual loss experience. When a loan or a part of a loan is uncollectable, it is written off against the related provision for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of the charge for loan impairment in the statement of comprehensive income. If, in a subsequent period, the amount of the impairment charge decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment charge is reversed by adjusting the provision account. The amount of the reversal is recognised in the statement of comprehensive income.

3.1A: Cash and cash equivalents

	2026 \$'000	2025 \$'000
Cash on hand or on deposit	1,549,658	1,612,262
Total cash and cash equivalents	1,549,658	1,612,262

Accounting policy

Cash is recognised at its nominal amount as this is considered fair value. Cash and cash equivalents includes:

- a) Cash on hand
- b) Demand deposits in bank accounts with an original maturity of three months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

3.1B: Trade and other receivables

	2026 \$'000	2025 \$'000
Goods and services receivables		
Trade debtors – external parties	113	–
Other receivables		
Interest and fees	31,328	31,398
Dividends and distributions	10,163	6,900
Accrued revenue	41,491	38,298
Unbilled receivables	351	611
Other receivables	86	–
Total accrued revenue and other receivables	41,928	38,909
Total trade and other receivables (gross)	42,041	38,909
Less: impairment allowance	–	–
Total trade and other receivables (net)	42,041	38,909

Credit terms for goods and services were within 30 days (2025: 30 days).

Interest receivable is due monthly, quarterly or upon maturity, depending on the terms of the investment.

Notes to Consolidated Financial Statements continued

Note 3: Financial position

3.1C: Loans and advances

	2026 Amortised cost \$'000	2026 FVTPL \$'000	2026 Total \$'000
Gross funded loans and advances	4,435,049	91,220	4,526,269
Concessional loan discount on drawn loans	(406,285)	(2,675)	(408,960)
Unamortised loan modification charge	(1,777)	–	(1,777)
Funded loans, net of concessionality and modification discount	4,026,987	88,545	4,115,532
Less impairment allowance	(260,426)	–	(260,426)
Funded loans, net of concessionality, modification and impairment allowance	3,766,561	88,545	3,855,106
Net loans and advances	3,766,561	88,545	3,855,106

	2025 Amortised cost \$'000	2025 FVTPL \$'000	2025 Total \$'000
Gross funded loans and advances	4,472,163	98,670	4,570,833
Concessional loan discount on drawn loans	(281,168)	(1,606)	(282,774)
Unamortised loan modification charge	(4,784)	(1,415)	(6,199)
Funded loans, net of concessionality and modification discount	4,186,211	95,649	4,281,860
Less impairment allowance	(197,502)	–	(197,502)
Funded loans, net of concessionality, modification and impairment allowance	3,988,709	95,649	4,084,358
Less assets held for sale	(72,867)	–	(72,867)
Net loans and advances	3,915,842	95,649	4,011,491

Maturity analysis loans and advances, net of concessionality and modification discount:

	2026 \$'000	2025 \$'000
Overdue or impaired	77,385	55,070
Due in 1 year	363,097	591,398
Due in 1 year to 5 years	1,648,372	1,666,326
Due after 5 years	2,026,678	1,969,066
Funded loans, net of concessionality and modification discount	4,115,532	4,281,860

Concentration of risk

The largest single exposure in the funded loan portfolio at 30 June 2026 was for an amount of \$546.2 million (2025: \$545.2 million). The following table shows the diversification of investments in the loan portfolio at 30 June:

	2026			2025		
	No. of loans	Loan value \$'000	%	No. of loans	Loan value \$'000	%
< \$50m	46	835,242	20%	40	737,466	17%
\$50m – \$100m	17	1,271,834	31%	21	1,618,512	38%
\$100m – \$250m	5	881,213	22%	6	816,170	19%
\$250m – \$500m	2	580,996	14%	2	564,480	13%
> \$500m	1	546,247	13%	1	545,232	13%
Funded loans, net of concessionality and modification discount	71	4,115,532	100%	70	4,281,860	100%

The following table shows the diversification of investments within the loan portfolio at 30 June by credit quality. Since the loans made by the Group are (in the main) to entities that will not have a formal credit rating, the Corporation has developed a SCR system. These are internal risk indicators used by the Group to assess the default risks of its debt instruments. The SCR assesses the probability of seeing the counterparty default under its obligations. The SCR is determined by a risk matrix based on internal risk assessments of the counterparty involved, the business risk it faces and the financial risk it has as a result of the debt it carries (including all new debt proposed in the investment opportunity).

	2026		2025	
	Loan value \$'000	%	Loan value \$'000	%
Corporation's Shadow Credit Rating				
AAA	2,879	0%	4,003	0%
AA+ to AA-	203,103	5%	168,600	4%
A+ to A-	474,297	12%	420,412	10%
BBB+ to BBB-	1,265,262	31%	1,170,815	27%
BB+ to BB-	1,821,979	44%	2,140,409	50%
B+ to B-	348,012	8%	377,621	9%
Total loans and advances, net of concessionality and modification discount	4,115,532	100%	4,281,860	100%

Risk factors are discussed further in Note 6.2.

Notes to Consolidated Financial Statements continued

Note 3: Financial position

Impairment allowance

Reconciliation of the impairment allowance

Movements in relation to loans and advances:

	2026 Stage 1 (12-month ECL)	2026 Stage 2 (lifetime ECL)	2026 Stage 3	2026 Total \$'000
As at 1 July 2025	77,391	65,041	55,070	197,502
Increase recognised in impairment loss allowance on financial instruments	53,169	6,956	2,799	62,924
Change from stage 1 to stage 2	(8,718)	8,718	–	–
Change from stage 2 to stage 1	2,679	(2,679)	–	–
Change from stage 2 to stage 3	–	(18,350)	18,350	–
Closing balance at 30 June 2026	124,521	59,686	76,219	260,426

	2025 Stage 1 (12-month ECL)	2025 Stage 2 (lifetime ECL)	2025 Stage 3	2025 Total \$'000
As at 1 July 2024	74,564	55,947	1,835	132,346
Increase recognised in impairment loss allowance on financial instruments	7,616	15,240	41,828	64,684
Change from stage 1 to stage 2	(6,394)	6,394	–	–
Change from stage 2 to stage 1	1,605	(1,605)	–	–
Change from stage 2 to stage 3	–	(10,935)	10,935	–
Reversal of prior loan write-off	–	–	472	472
Closing balance at 30 June 2025	77,391	65,041	55,070	197,502

The Group did not have any amounts past due but not impaired at 30 June 2026 or 30 June 2025.

Changes from stage 1 to stage 2 relate to project finance loans that are identified as having a SICR due to circumstances arising during the current year.

Changes from stage 2 to stage 1 relate to loans that had been identified as having a SICR at 1 July being cured during the current financial year.

Changes from stage 2 to stage 3 relate to loans considered to be credit impaired at 30 June.

3.1D: Other debt securities

2026

	Amortised cost \$'000	FVTPL \$'000	Total \$'000
Gross funded debt securities	374,528	892,215	1,266,743
Concessional loan discount	(2,875)	(11,601)	(14,476)
Cumulative amortisation of bond discount/(premium)	1,231	3,984	5,215
Cumulative fair value adjustments	–	(15,682)	(15,682)
Debt securities before impairment allowance	372,884	868,916	1,241,800
Less impairment allowance	(1,947)	–	(1,947)
Net other debt securities	370,937	868,916	1,239,853

2025

	Amortised cost \$'000	FVTPL \$'000	Total \$'000
Gross funded debt securities	452,264	855,159	1,307,423
Concessional loan discount	(2,459)	(9,437)	(11,896)
Cumulative amortisation of bond discount/(premium)	1,205	3,380	4,585
Cumulative fair value adjustments	–	(529)	(529)
Debt securities before impairment allowance	451,010	848,573	1,299,583
Less impairment allowance	(2,081)	–	(2,081)
Net other debt securities	448,929	848,573	1,297,502

Maturity analysis of debt securities:

	2026 \$'000	2025 \$'000
Overdue or impaired	–	–
Due in 1 year	344,665	143,737
Due in 1 year to 5 years	390,528	692,266
Due after 5 years	506,607	463,580
Other debt securities before impairment allowance	1,241,800	1,297,583

Notes to Consolidated Financial Statements continued

Note 3: Financial position

Concentration of risk – Other debt securities

Other debt securities are primarily investments in bank and corporate bonds. During the financial year, the Group recorded a reversal in the impairment charge of \$0.13 million (2025: impairment charge of \$0.04 million) in respect of its holding of other debt securities.

The largest single exposure in the other debt securities at 30 June 2026 was for an amount of \$148 million (2025: \$151.1 million).

The following table shows the diversification of other debt securities at 30 June:

	2026			2025		
	No. of securities	Investment value \$'000	%	No. of securities	Investment value \$'000	%
<\$10m	7	40,326	3%	12	84,536	7%
\$10m – \$50m	23	665,453	54%	25	687,877	53%
\$50m – \$100m	4	245,365	20%	4	227,404	17%
> \$100m	2	290,656	23%	2	299,766	23%
Total other debt securities	36	1,241,800	100%	43	1,299,583	100%

The following table shows the diversification of other debt securities at 30 June by Shadow Credit Rating (SCR):

	2026		2025	
	Value \$'000	%	Value \$'000	%
Corporation's Shadow Credit Rating				
AAA	11,544	1%	28,276	2%
AA+ to AA-	526,510	42%	477,446	37%
A+ to A-	425,185	34%	306,648	24%
BBB+ to BBB-	278,561	22%	452,777	35%
BB+ to BB-	–	0%	34,436	3%
Total loans and advances, net of concessionality and modification discount	1,241,800	100%	1,299,583	100%

Risk factors are discussed further in Note 6.2.

Impairment allowance – Other debt securities

	2026 \$'000	2025 \$'000
As at 1 July	2,081	2,039
(Decrease)/Increase recognised in impairment loss allowance on financial instruments	(134)	42
Closing balance at 30 June	1,947	2,081

All other debt securities are in impairment provisioning stage 1 (12 months ECL).

3.1E: Equities and units in trusts

	2026 \$'000	2025 \$'000
Gross funded equities and units in trusts	1,825,630	1,609,893
Cumulative fair value adjustments	207,315	259,083
Total equities and units in trusts	2,032,945	1,868,976
Less assets held for sale	(376,440)	(62,527)
Equities and units in trusts	1,656,505	1,806,449

All equities and units in trusts are held at FVTPL in 2026 and 2025.

Concentration of risk and impairment – Equities and units in trusts

Investments in shares in publicly-listed entities, units in unincorporated unit trust structures or direct holdings in unlisted companies where the Group is not deemed to have significant influence are classified as equities and units in trusts.

The largest single exposure in the equities and units in trusts portfolio at 30 June 2026 was for an amount of \$128.0 million (2025: \$187.6 million).

The following table shows the diversification of equities and units in trusts at 30 June:

	2026			2025		
	No. of securities	Investment value \$'000	%	No. of securities	Investment value \$'000	%
<\$10m	45	146,203	7%	44	126,337	7%
\$10m – \$50m	16	397,880	20%	18	396,805	21%
\$50m – \$100m	14	1,013,899	50%	11	775,884	42%
> \$100m	4	474,963	23%	4	569,950	30%
Total equities and units in trusts	79	2,032,945	100%	77	1,868,976	100%

The Group does not assign a SCR to investments in equities and units in trusts.

Notes to Consolidated Financial Statements continued

Note 3: Financial position

3.1F: Equity accounted investments

	2026 \$'000	2025 \$'000
Balance at 1 July	744,042	637,456
Investments made during the year	306,629	105,020
Distributions received during the year	(29,194)	(30,081)
Share of income/(loss) of associates and joint ventures		
– through profit and loss	41,383	31,736
– through other comprehensive income (Note 2.4A)	5,409	3,547
Disposals made during the year	(124,935)	(7,880)
Impairment (charge)/reversal on equity accounted investments	(44,649)	508
Realised gains	18,252	7,897
Reclassifications to FVTPL	(168,283)	(4,161)
Balance of equity accounted investments at 30 June	748,654	744,042
Gross loans to associates and joint ventures	34,108	30,963
Impairment charge on loans to associates and joint ventures	(14,195)	–
Net loans to associates and joint ventures	19,913	30,963
Interest in associates and joint ventures	768,567	775,005
Less assets held for sale	(64,105)	–
Total interest in associates and joint ventures	704,462	775,005

	2026		2025	
	Carrying value \$'000	Ownership %	Carrying value \$'000	Ownership %
Equity accounted investments				
Morrison Growth Infrastructure Fund	128,210	25.9%	136,706	25.9%
Australian Ethical Growth Opportunities Fund	119,647	21.3%	–	0.0%
My Specialised Accommodation Solutions Holdings	102,483	23.6%	98,593	24.2%
Ellerston 2050 Fund	93,373	42.3%	68,042	49.8%
IFM Growth Partners LP	61,623	23.2%	74,650	36.8%
Wilga Farming Australia	52,333	25.0%	51,830	25.0%
Transforming Farming Trust	50,015	50.0%	53,757	50.0%
Octopus Australia Sustainable Investments*	–	0.0%	142,918	21.3%
Other General Portfolio investments	99,685	20.0% – 49.0%	86,504	20.0% – 46.2%
Powering Australia Technology Fund investments	21,436	19.8% – 34.4%	6,759	25.4% – 33.0%
Clean Energy Innovation Fund investments	19,849	22.9% – 36.9%	24,283	21.1% – 36.9%
Total investments accounted for using the equity method	748,654		744,042	

* Reclassified to Equities and Units in Trusts (held at FVTPL) during the year.

The following table summarises the Group share of the aggregated financial information of the above equity accounted investments.

	2026 \$'000	2025 \$'000
Statement of financial position		
Current assets	144,247	147,238
Non-current assets	898,416	900,690
Current liabilities	153,873	154,335
Non-current liabilities	126,329	140,191
Statement of comprehensive income		
Revenue	38,424	51,137
Net surplus	41,383	31,736
Other comprehensive income	5,409	3,547
Total comprehensive income	46,792	35,283

Loans to associates and joint ventures at 30 June 2026 total \$34.1 million (2025: \$31.0 million) and the Group has recognised an impairment charge of \$14.2m in relation to these loans (2025: \$Nil).

The Group has procured a bank guarantee for \$0.6 million on behalf of an associate (2025: \$1.8 million).

At 30 June 2026 the Group had committed to invest up to a further \$259 million (2025: \$178 million) in the above equity accounted investments.

Accounting policy

The Group's investments in its associates and jointly controlled entities are accounted for using the equity method.

Under the equity method, investments in the associates are carried in the Group's statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to an associate is included in the carrying amount of the investment.

After the application of the equity method, the Group determines whether it is necessary to recognise any impairment loss with respect to the net investment in associates.

3.1G: Derivative financial assets

	2026 \$'000	2025 \$'000
Derivative financial assets held for investment purposes (FVTPL)	18,229	13,956
Derivative financial assets	18,229	13,956

Notes to Consolidated Financial Statements continued

Note 3: Financial position

3.1H: Assets held for sale

	2026 \$'000	2025 \$'000
Loans and advances for which the Group has commenced a sale process	–	72,867
Equities and units in trusts for which the Group has commenced a sale process	376,440	62,527
Equity accounted investments for which the Group has commenced a sale process	64,105	–
Assets held for sale	440,545	135,394

Sale of some of these assets has been completed subsequent to balance date, with CEFC realising the value at which the assets were held for sale at 30 June 2026, and the sale process for others is ongoing.

3.2: Non-financial assets

3.2A: Reconciliation of the opening and closing balances of property, plant and equipment

Reconciliation of the opening and closing balances of property, plant and equipment for 2026.

	Land and buildings \$'000	Plant and equipment \$'000	Total \$'000
As at 1 July 2025			
Gross book value	13,194	7,959	21,153
Accumulated depreciation and amortisation	(8,288)	(4,641)	(12,929)
Total as at 1 July 2025	4,906	3,318	8,224
Additions:			
By purchase or internally developed	24,019	513	24,532
Depreciation and amortisation expense	(3,275)	(1,616)	(4,891)
Disposals:			
Gross book value	(5,859)	(2,430)	(8,289)
Accumulated depreciation and amortisation	5,859	2,430	8,289
Total as at 30 June 2026	25,650	2,215	27,865
Total as at 30 June 2026 represented by:			
Gross book value	31,354	6,042	37,396
Accumulated depreciation and amortisation	(5,704)	(3,827)	(9,531)
Total as at 30 June 2026	25,650	2,215	27,865

Land and buildings comprise ROU assets recognised for office leases.

The Group has not identified any property, plant or equipment expected to be disposed of within the next 12 months.

No indicators of impairment were found for property, plant and equipment.

3.3: Payables and deferred revenue

3.3A: Deferred revenue

	2026 \$'000	2025 \$'000
Deferred establishment fees income	55,651	49,595
Loan commitment and line fees received in advance	–	42
Total deferred revenue	55,651	49,637

3.3B: Other payables

	2026 \$'000	2025 \$'000
Wages and salaries	17,225	15,638
Superannuation	27	16
FBT liability	38	11
Other	21	32
Total other payables	17,311	15,697

3.4: Interest bearing liabilities

	2026 \$'000	2025 \$'000
Lease liability falling due within 1 year	3,533	2,057
Lease liability falling due between 1 and 5 years	13,485	3,632
Lease liability falling due after 5 years	10,003	–
Total interest bearing liabilities	27,021	5,689

The lease liability relates to office premises leases which expire between October 2027 and February 2034. Information on repayments and expenses booked during the year can be found in Note 2.1B and information on the corresponding right-of-use asset can be found in Note 3.2.

Committed future lease payments, on an undiscounted basis, at 30 June 2026 are \$30.8 million (2025: \$5.9 million).

3.5: Concession on undrawn loan commitments

	\$'000
As at 1 July 2025	142,323
Additional provisions made	3,339,373
Amount reversed upon cancellation or reduction of loan commitments	(4,768)
Offset to loans and advances and other debt securities	(173,949)
Total at 30 June 2026	3,302,979

Provision for concession on undrawn loan commitments relates to the cumulative concessional loan charge, discussed in Note 2.1C, that has been recognised for loan commitments that have not yet been funded. The provision is reclassified as a net against loans and advances as the commitments are funded.

Notes to Consolidated Financial Statements continued

Note 4: Funding

This section identifies the Group's funding structure.

4.1: Contributed equity

CEFC Special Account

During the year, the Department of Climate Change, Energy, the Environment and Water maintained the CEFC Special Account established in accordance with section 45 of the CEFC Act.

	2026 \$'000	2025 \$'000
Appropriations credited to the CEFC Special Account in prior financial years	33,150,000	29,570,000
Appropriations credited to the CEFC Special Account during the year:		
– for General Portfolio	–	2,000,000
– for Household Energy Upgrades Fund	–	930,000
– for Rewiring the Nation Fund	–	650,000
Total appropriated to 30 June	33,150,000	33,150,000

Contributed Equity

	2026 \$'000	2025 \$'000
Equity from CEFC Special Account		
Opening balance of equity drawn from CEFC Special Account – 1 July	8,091,000	5,826,000
Funds drawn as an equity contribution from the CEFC Special Account	150,000	3,465,000
Funds returned to the CEFC Special Account	(450,000)	(1,200,000)
Net amount (returned to)/drawn from the CEFC Special Account in the year	(300,000)	2,265,000
Closing balance of equity drawn from CEFC Special Account – 30 June	7,791,000	8,091,000
Equity from restructuring of administrative arrangements		
Net assets received from restructuring of administrative arrangements in prior periods	87,363	87,363
Closing contributed equity balance – 30 June	7,878,363	8,178,363

Accounting policy

The Corporation's investment funds are provided for by a special appropriation under section 46 of the CEFC Act. Funds credited to the CEFC Special Account are held by the Department of Climate Change, Energy, the Environment and Water and are released to the Corporation in accordance with the CEFC Act when the CEFC identifies investments that it intends to make. Surplus funds are returned to the Special Account for reinvestment by the CEFC or payment of a dividend to ARENA in accordance with the CEFC Act.

Equity injections

Amounts received from the Australian Government as drawings out of the CEFC Special Account are designated as 'equity injections' and recognised directly in contributed equity in that year.

Other distributions to owners

The CEFC Act provides that any amounts returned to the Commonwealth must be retained in the CEFC Special Account and may only be used to make payments to the Corporation, or to make payments to ARENA from retained earnings of the Corporation if requested by the Corporation and authorised by the nominated Minister. Amounts returned to the CEFC Special Account will be designated as either a return of equity in the case of capital being returned or a distribution of profits in the case of accumulated profits being transferred to the CEFC Special Account.

Restructuring of administrative arrangements

Net assets received from or relinquished to another Australian Government entity under restructuring of administrative arrangements are adjusted directly against contributed equity.

Note 5: People and relationships

This section describes a range of employment and post-employment benefits provided to our people and our relationships with other key people.

5.1: Employee provisions

	2026 \$'000	2025 \$'000
Annual and long service leave		
Expected to be settled within 12 months	7,490	5,678
Expected to be settled in more than 12 months	1,989	1,175
Total employee provisions	9,479	6,853

5.2: Key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. The Group has determined the key management personnel to be the non-executive Board members (comprising seven members with one appointment during the year), and the Executive team as detailed in Note 5.3.

	2026 \$	2025 \$
Short-term employee benefits		
Non-executive Board member fees	519,529	504,837
Executive base salaries	4,634,220	4,633,670
Performance based compensation	1,661,505	1,784,778
Annual leave (paid)/accrued, net	(41,110)	24,196
Total short-term employee benefits	6,774,144	6,947,481
Post-employment benefits		
Superannuation contributions on behalf of Board members and executives	354,843	346,874
Total post-employment benefits	354,843	346,874
Other long-term employee benefits		
Performance based compensation	830,752	892,388
Long service leave (paid)/accrued, net	468,798	136,963
Total other long-term employee benefits	1,299,550	1,029,351
Termination benefits		
Separation and redundancy payments	249,808	–
Total termination benefits	249,808	–
Total key management personnel remuneration expenses	8,678,345	8,323,706

The total number of key management personnel that are included in the above table are:

	2026 No.	2025 No.
Summary of key management personnel		
Non-executive Directors	7	7
Executives	10	10
Total key management personnel	17	17

Notes to Consolidated Financial Statements continued

Note 5: People and relationships

5.3: Related party disclosures

A related party is a person or entity that is related to the entity that is preparing its financial statements. The Group has determined its related parties include:

– The Responsible Ministers

The Hon Chris Bowen MP
Senator the Hon Katy Gallagher

– Board Members

Mr Steven Skala AO
Dr Guy DeBelle
Dr Kate George (appointed 4 November 2025)
Mr David Jones AM
Mrs Andrea Slattery
Ms Samantha Tough
Ms Nicola Wakefield Evans AM

– Key management personnel

Mr Ian Learmonth, CEO*
Mr Simon Every
Ms Sara Leong
Mr Roger (Rory) Lonergan
Mr Paul McCartney*
Ms Leanne McDonald
Ms Monique Miller
Mr Andrew Powell
Mr Saxon (Jay) Tolson
Mr Craig Whalen (until December 2025)

* On 23 July 2026, CEFC announced that Paul McCartney will be succeeding Ian Learmonth as CEO with effect from 18 September 2026.

– Other Australian Government agencies

– Investments that are classified as associates and joint ventures as disclosed in Note 3.1F: Equity accounted investments.

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Other than as disclosed in Note 3.1F, in the year ended 30 June 2026 there have been no guarantees provided or received for any related party receivables or payables and the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2025: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

The Group has not entered into any direct transactions with key management personnel other than in relation to remuneration for services provided, as disclosed in Note 5.2.

Transactions with Director-related entities

The spouse of Mr David Jones AM was an independent non-executive director of Ampol Limited, retiring effective 14 May 2026. The CEFC committed up to \$100 million to Ampol during 2024, with an existing loan balance at 30 June 2026 of \$37 million (2025: \$15 million). She is also a non-executive director of Stockland Group where the CEFC has an existing loan to Stockland for an amount of \$75 million (2025: \$75 million).

The director named above took no part in the relevant decisions of the CEFC Board in regard to these related party transactions.

The CEFC is not aware of any trading transactions entered with director-related parties during the financial year ended 30 June 2026 (2025: Nil).

Ms Nicola Wakefield Evans AM is a member of the Board of Guardians of the Future Fund, which acquired a minority ownership interest in Transgrid in May 2025. CEFC has previously made loans to entities within the Transgrid group of companies in relation to improvements being made to the electricity grid and associated infrastructure.

Mr Steven Skala AO is a non-executive board member of the Foreign Investment Review Board (FIRB) which is a non-statutory body established to advise the Treasurer and the Government on Australia's Foreign Investment Policy and its administration.

Transactions with other related entities

During the year the Corporation has loaned funds to a subsidiary, CEFC Investments Pty Ltd, on commercial terms. Balances arising from these transactions are disclosed in the Corporation's stand-alone financial statements in Note 7 and have been eliminated in these consolidated financial statements.

The CEFC has an Investment Management Agreement (IMA) with Virescent Ventures Pty Ltd, an entity in which it holds a 30% interest, for the management of early-stage equity investments in the Clean Energy Innovation Fund and certain Powering Australia Technology Fund investments on CEFC's behalf. Under this IMA, the CEFC paid \$3.7 million for investment management services provided (2025: \$3.7 million) including \$0.9 million in advance (2025: \$0.9 million) for the quarter ending 30 September 2026. During the year to 30 June 2026, Virescent paid \$54,000 (2025: \$43,000) to the CEFC for use of office space.

On 2 May 2024 the CEFC committed to invest up to 33.3% (subject to a maximum of \$52 million) of equity to cornerstone a new climate technology venture capital fund, the Virescent Ventures Fund II. The carrying value of this investment is \$9.0 million at 30 June 2026 (2025: \$0.9 million).

Note 6: Managing uncertainties

This section analyses how the Group manages financial risks within its operating environment.

6.1: Contingent assets and liabilities

Quantifiable contingencies

The Group had no significant quantifiable contingencies as at 30 June 2026 or 2025 that are not disclosed elsewhere in these accounts.

Unquantifiable contingencies

At 30 June 2026 and 2025 the Group had no significant unquantifiable contingencies.

6.2: Financial instruments

6.2A: Categories of financial instruments

Financial assets:

	Amortised cost \$'000	FVTPL \$'000	FVOCI \$'000	2026 Total \$'000
Financial assets 30 June 2026				
Cash and cash equivalents	1,549,658	–	–	1,549,658
Trade and other receivables	42,041	–	–	42,041
Financial investments				
Loans and advances	3,766,561	88,545	–	3,855,106
Other debt securities	370,937	868,916	–	1,239,853
Equities and units in trusts	–	2,032,945	–	2,032,945
Derivative financial assets	–	18,229	–	18,229
Total financial investments	4,137,498	3,008,635	–	7,146,133
Less assets held for sale	–	(376,440)	–	(376,440)
Carrying amount of financial assets	5,729,197	2,632,195	–	8,361,392

	Amortised cost \$'000	FVTPL \$'000	FVOCI \$'000	2025 Total \$'000
Financial assets 30 June 2025				
Cash and cash equivalents	1,612,262	–	–	1,612,262
Trade and other receivables	38,909	–	–	38,909
Financial investments				
Loans and advances	3,915,842	95,649	–	4,011,491
Other debt securities	448,929	848,573	–	1,297,502
Equities and units in trusts	–	1,806,449	–	1,806,449
Derivative financial assets	–	13,956	–	13,956
Total financial investments	4,364,771	2,764,627	–	7,129,398
Carrying amount of financial assets	6,015,942	2,764,627	–	8,780,569

Notes to Consolidated Financial Statements continued

Note 6: Managing uncertainties

Financial liabilities:

Financial liabilities 30 June 2026	Amortised cost \$'000	FVTPL \$'000	FVOCI \$'000	2026 Total \$'000
Trade creditors and accruals	7,084	–	–	7,084
Provision for concessional investments	–	3,302,979	–	3,302,979
Carrying amount of financial liabilities	7,084	3,302,979	–	3,310,063

Financial liabilities 30 June 2025	Amortised cost \$'000	FVTPL \$'000	FVOCI \$'000	2025 Total \$'000
Trade creditors and accruals	8,376	–	–	8,376
Provision for concessional investments	–	142,323	–	142,323
Carrying amount of financial liabilities	8,376	142,323	–	150,699

6.2B: Net gains or losses on financial assets

	2026 Amortised cost \$'000	2026 FVTPL \$'000	2026 Total \$'000	2025 Total \$'000
Cash and cash equivalents				
Interest from cash and short-term investments	65,456	–	65,456	87,168
Net gains on cash and cash equivalents	65,456	–	65,456	87,168
Loans and advances				
Interest income and fees	208,827	5,568	214,395	203,380
Unwind of concessional interest rate discount	39,362	1,190	40,552	22,161
Reversal of prior period concessional loan charges	8,834	889	9,723	165,925
Net gains on loans and advances	257,023	7,647	264,670	391,466
Other debt securities				
Interest income from debt securities	16,415	36,824	53,239	46,373
Unwind of concessional interest rate discount	813	1,049	1,862	1,372
Loss on disposal	–	–	–	(2,418)
Profit on disposal	–	37	37	3,185
Fair value gains	–	2,949	2,949	21,867
Fair value losses	–	(18,075)	(18,075)	(522)
Reversal of prior period concessional loan charges	–	–	–	697
Net gains on other debt securities	17,228	22,784	40,012	70,554
Equities and units in trusts				
Income distributions from equities and units in trusts	–	50,042	50,042	48,287
Loss on disposal	–	(8,064)	(8,064)	(344)
on disposal	–	41,155	41,155	5,527
Fair value gains	–	101,049	101,049	82,016
Fair value losses	–	(152,844)	(152,844)	(50,185)
Net gains on equities and units in trusts	–	31,338	31,338	85,301
Derivative financial assets				
Fair value gains	–	4,274	4,274	597
Fair value losses	–	–	–	–
Net gains on derivative financial assets	–	4,274	4,274	597
Net gains on financial assets	339,707	66,043	405,750	635,086

The total income from financial assets not at fair value through profit or loss was \$339,707,000 (2025: \$488,179,000).

6.2C: Credit risk

Credit risk arises from the possibility of defaults on contractual obligations, resulting in financial loss.

The Group manages its credit risk by undertaking background and credit checks prior to allowing a debtor relationship. In addition, the Group has policies and procedures that guide employees' debt recovery techniques.

The Group evaluates each customer's credit worthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by the Group upon extension of credit, is based on Management's credit evaluation of the counterparty. Collateral held will vary, but may include:

- A floating charge over all assets and undertakings of an entity, including uncalled capital and called but unpaid capital
- Specific or inter-locking guarantees
- Specific charges over defined assets of the counterparty
- Loan agreements which include affirmative and negative covenants and, in some instances, guarantees of counterparty obligations.

The Group monitors exposures to counterparties and has set exposure limits for each counterparty.

Credit quality of financial instruments not past due or individually determined as impaired:

	Note	Not past due nor impaired 2026 \$'000	Not past due nor impaired 2025 \$'000	Past due or impaired 2026 \$'000	Past due or impaired 2025 \$'000	Total 2026 \$'000	Total 2025 \$'000
Cash and cash equivalents	3.1A	1,549,658	1,612,262	–	–	1,549,658	1,612,262
Trade and other receivables	3.1B	42,041	38,909	–	–	42,041	38,909
Financial assets at:							
Amortised cost:							
Loans and advances	3.1C	3,689,176	3,933,639	77,385	55,070	3,766,561	3,988,709
Other debt securities	3.1D	370,937	448,929	–	–	370,937	448,929
Less assets held for sale	3.1H	–	(72,867)	–	–	–	(72,867)
FVTPL:							
Loans and advances	3.1C	88,545	95,649	–	–	88,545	95,649
Other debt securities	3.1D	868,916	848,573	–	–	868,916	848,573
Equities and units in trusts	3.1E	2,032,945	1,868,976	–	–	2,032,945	1,868,976
Less assets held for sale	3.1H	(376,440)	(62,527)	–	–	(376,440)	(62,527)
Total financial assets		8,265,778	8,711,543	77,385	55,070	8,343,163	8,766,613

Notes to Consolidated Financial Statements continued

Note 6: Managing uncertainties

	Note	Not past due nor impaired 2026 \$'000	Not past due nor impaired 2025 \$'000	Past due or impaired 2026 \$'000	Past due or impaired 2025 \$'000	Total 2026 \$'000	Total 2025 \$'000
Committed loans and advances	6.5	7,991,302	2,425,847	–	–	7,991,302	2,425,847
Committed other debt securities	6.5	1,668,155	555,131	–	–	1,668,155	555,131
Committed trust and equity investments	6.6	380,928	488,906	–	–	380,928	488,906
Total financial asset commitments		10,040,385	3,469,884	–	–	10,040,385	3,469,884
Total credit risk exposure		18,306,163	12,181,427	77,385	55,070	18,383,548	12,236,497

Cash and cash equivalents are held with authorised deposit-taking institutions in Australia in accordance with the prudential controls set by the PGPA Act.

6.2D: Liquidity risk

The Group's financial liabilities are trade creditors, operating leases, provisions for concessional loans and amounts owing to the Australian Taxation Office. The exposure to liquidity risk is based on the notion that the Group will encounter difficulty in meeting its obligations associated with financial liabilities. This is considered highly unlikely as the Group has significant cash balances (all invested short-term), access to Government funding, and internal policies and procedures in place to ensure there are appropriate resources to meet its financial obligations.

Maturities for financial liabilities 2026:

	On demand \$'000	Within 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	> 5 years \$'000	Total \$'000
Trade creditors and accruals	–	7,084	–	–	–	7,084
Provision for concessional loans	–	30,376	61,610	344,659	2,866,334	3,302,979
Total	–	37,460	61,610	344,659	2,866,334	3,310,063

Maturities for financial liabilities 2025:

	On demand \$'000	Within 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	> 5 years \$'000	Total \$'000
Trade creditors and accruals	–	8,376	–	–	–	8,376
Provision for concessional loans	–	1,105	3,943	35,979	101,296	142,323
Total	–	9,481	3,943	35,979	101,296	150,699

Any financing shortfall is addressed through the contribution of equity provided by the Australian Government from the CEFC Special Account. See Note 4.1.

6.2E: Market risk

As part of its normal operations, the Group may enter into a variety of transactions including loans, guarantees, bonds, and equity and trust investments, which may have exposure to market risk. Investment carrying values and revenue earned may be impacted as a result of changes in GDP growth rate, interest rates, electricity prices, property values and foreign exchange rates.

The Group may enter into financial derivative transactions to protect against foreign exchange risks associated with its investment function. The Group does not enter into derivative instruments for speculative or trading purposes.

Derivative transactions may include:

- Interest rate swaps, forward rate agreements and futures contracts which protect against interest rate movements where the interest rate basis of the borrowing is different from that of the required liability to fund assets. These contracts are used primarily to convert between fixed rate and floating rate exposures
- Cross-currency swaps which protect the Group against interest rate and foreign exchange movements where the currency of the asset and interest receipts are not Australian dollars
- Forward foreign exchange contracts which are used to protect against foreign exchange movements in investments, loans and borrowings.

The Group also conducts stress testing, including examining the impact on the credit portfolio of adverse movements in foreign exchange rates and interest rates.

a) Interest rate risk

The Group is involved in lending and therefore its revenues and the carrying value of its investments may be exposed to changes in interest rates.

The impact of a change in interest rates on the Group's interest income is not expected to be material as the majority of the Group's loans and advances are at fixed rates, however, interest receivable from cash and other financial assets will be impacted prospectively from a change in interest rates. The Group's primary exposure to interest rate risks of interest bearing financial assets and financial liabilities is set out below. Interest on financial instruments classified as floating rate is repriced at intervals of less than one year. Interest on financial instruments classified as fixed rate is fixed until maturity of the instrument.

	2026 \$'000	2025 \$'000
Interest bearing financial assets		
Classified as floating rate		
Cash and cash equivalents	1,549,658	1,612,262
Loans and advances	1,310,313	1,497,669
Other debt securities	159,874	229,842
Total classified as floating rate	3,019,845	3,339,773
Classified as fixed rate		
Loans and advances	2,544,793	2,586,689
Other debt securities	1,079,979	1,067,660
Total classified as fixed rate	3,624,772	3,654,349
Interest bearing financial liabilities		
Classified as floating rate		
Provision for concessional loans	18,501	9,800
Total classified as floating rate	18,501	9,800
Classified as fixed rate		
Provision for concessional loans	3,284,478	132,523
Total classified as fixed rate	3,284,478	132,523

Notes to Consolidated Financial Statements continued

Note 6: Managing uncertainties

A +/-50bp change in the interest rate on floating rate financial assets would have approximately a \$15.1 million (2025: \$16.7 million) impact on the reported revenue and surplus.

For the Group's financial assets carried at amortised cost, any change to fair value arising from a movement in the market interest rates has no impact on the reported profit or loss unless an investment is sold prior to maturity and crystallises a previously unrealised gain or loss.

In certain circumstances cash flow hedges may be entered into to hedge the exposure to variability in interest rate movements that are attributable to future interest cash flows. The Group has not currently entered into any interest rate hedges.

For the Group's financial assets carried at FVTPL, a +/-100bp change in the yield of the debt securities would have approximately a \$35.9 million (2025: \$37.9 million) impact on the fair value at which the instruments are recorded in the Consolidated Statement of Financial Position and fair value gains/losses in the Consolidated Statement of Comprehensive Income. As the coupon on the bonds is fixed, a change in prevailing interest rates would have no impact on the reported revenue.

b) Electricity sales and prices

A significant portion of the Group's loans and advances are to borrowers in the renewable energy sector, whose revenues are dependent on the electricity generated, stored and sold and prices obtained for that electricity. A significant decrease in the amount of electricity sold or prices obtained could have an impact on the borrowers' ability to service their debts to CEFC and also the value of the underlying security. Electricity prices have experienced periods of significant market price variability in recent years. The amount of electricity generated is dependent on weather, asset or operational conditions and decisions not to generate during periods of negative prices. The amount dispatched and/or sold may be subject to further variability, including as a result of grid connection and constraint issues and marginal loss factors during transmission and distribution.

The Group manages this risk by establishing limits in relation to merchant energy price exposure, gearing and covenant ratios in respect of financing contractual arrangements on projects, monitoring the creditworthiness of the counterparties, and the exposure to individual electricity retailers and other parties who are providing off-take agreements for the renewable projects.

c) Property values

A portion of the Group's financial investments are in commercial real estate funds where the return and unit value are directly related to property values. The Group has sought to assess the estimated fair value of its property fund investments using publicly available market information, asset and portfolio as well as information provided by industry experts to inform market outlook, including as to capitalisation rates and trend over the next 6-12 months.

The Group has also made loans and advances to borrowers in the property sector. A significant change in property values would impact on the carrying value and distributions from the investments in funds and could have an impact on the carrying value of loans and advances arising from the borrowers' ability to service their debts to CEFC and the value of the underlying security.

The Group manages overall property risk by diversifying its exposure across the various sub-sectors (e.g. office, healthcare, industrial, residential, retail, etc), including gearing and debt service covenants within contractual arrangements as well as monitoring the credit worthiness of the counterparties.

d) Foreign exchange risk

Foreign exchange risk is the risk that the fair value of foreign denominated assets and future cash flows may fluctuate because of changes in foreign exchange rates or the credit quality of the swap counterparty bank.

The exposure to foreign exchange rate movement is kept to a minimum as significant foreign currency denominated loans and advances are converted via cross currency swaps into Australian dollars. The three main components that are exposed to foreign exchange movements relate to:

- (i) Future fixed interest profit that has been taken to income in foreign currency
- (ii) Future risk premiums and other residual components taken to income in foreign currency
- (iii) The allowance for credit risk which is held in Australian dollars against loans predominantly in foreign currency.

At year end, the Group did not have any foreign currency denominated receivables or hedging instruments (2025: Nil).

6.2F: Concentration of exposure

Concentration of credit risk exists when a number of counterparties are engaged in similar activities or operate in the same geographical areas or industry sectors and have similar economic characteristics so that their ability to meet contractual obligations is similarly affected by changes in economic, political or other conditions.

The Group has a significant concentration of exposure to the energy and renewables sectors since it has been established for investment in commercialisation and deployment of (or in relation to the use of) Australian based renewable energy, energy efficiency and low emissions technologies (or businesses that supply goods or services needed to develop the same), with at least 50% of its investment in the renewables sector.

The Group also has a significant concentration of exposure to certain of the Transmission Network Service Providers (TNSPs) due to its investments through the RTNF and/or managed funds.

The Group has a relatively small number of investments (when compared to the commercial banks, for example) and therefore has a relatively concentrated exposure to individual assets, entities and industries. Default by a single borrower could have a material impact on the Group's results in a year.

6.2G: Climate-related risk

The Group exists to invest in financial assets that prepare and position the Australian economy and industry for a cleaner energy future. Accordingly, it is exposed to climate-related physical and transition risks within its investment portfolio. Climate related risks that the Group may be exposed to in its investments are considered, along with other investment related risks, during the investment screening and asset management phases.

The Group conducts scenario analysis to assess climate-related risk on the portfolio. This informs the Group's view of climate risk exposure from portfolio risk and return perspectives.

Physical climate risk analysis considers short, medium, and long-term time horizons using the Intergovernmental Panel on Climate Change scenarios and supported by the S&P Global Climonomics platform. Debt and equity exposures are delineated to reflect their differing financial risk profiles for the same physical risk event. Debt investments, which comprise more than 80% of the Group's current on-risk portfolio, are generally better protected due to their senior ranking and structured risk features. In a typical default scenario, debt suffers less loss than equity. The potential physical risk of the Group's portfolio is considered relatively low.

Similarly, the approach to transition risk analysis reflects the Group's strategic focus on climate transition-aligned investments, which are generally well positioned to benefit from the transition to a low-carbon economy. The Group conducts climate scenario analysis to assess transition-related risk on the portfolio, over short, medium, and long-term time horizons. The assessment leverages the MSCI Climate Value-at-Risk platform and incorporates Network for Greening the Financial System Phase V scenarios. The Group's exposure to transition risk in its portfolio is considered low given the nature of the Group's investments and focus on supporting Australia's transition to a net zero economy.

The Group continues to monitor developments in climate-related risks and their potential implications for asset valuation, expected credit losses, and other accounting estimates. For example, physical risks such as flooding or bushfires may affect asset performance or collateral values, while transition risks may influence sectoral creditworthiness or refinancing conditions.

The character of the Group's portfolio, and its analysis of exposure to climate-related risk is expected to evolve over time. The Group currently considers these risks as part of its credit risk assessment, due diligence processes and ongoing management of investments, particularly for customers in high-risk sectors or geographies.

It is assumed that credit ratings for debt and fair value for equity investments incorporate climate-related variables where relevant and no provisions relating specifically to climate-related risk have been made in the Group's financial statements for the year ended 30 June 2026.

Notes to Consolidated Financial Statements continued

Note 6: Managing uncertainties

6.3: Fair value of financial instruments

The following table provides an analysis of financial instruments that are measured at fair value, or for which fair value is disclosed, by valuation method.

The different levels are defined below:

Level 1: Fair value obtained from unadjusted quoted prices in active markets for identical instruments.

Level 2: Fair value derived from inputs other than quoted prices included within Level 1 that are observable for the instrument, either directly or indirectly.

Level 3: Fair value derived from inputs that are not based on observable market data.

Fair value hierarchy for financial instruments:

	Fair value at 30 June 2026				2026 Carrying value Total \$'000
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	
Financial assets at fair value					
Loans and advances	–	88,545	–	88,545	88,545
Other debt securities	620,430	248,486	–	868,916	868,916
Equities and units in trusts	–	1,741,241	291,704	2,032,945	2,032,945
Derivative financial assets	–	18,229	–	18,229	18,229
Less assets held for sale	–	(376,440)	–	(376,440)	(376,440)
Financial assets for which fair value is disclosed					
Loans and advances	–	1,444,690	1,872,777	3,317,467	3,766,561
Other debt securities	266,762	98,921	–	365,683	370,937
Total for financial assets	887,192	3,263,672	2,164,481	6,315,345	6,769,693
Financial liabilities at fair value					
Provision for concessional investments	–	–	3,302,979	3,302,979	3,302,979
Total for financial liabilities	–	–	3,302,979	3,302,979	3,302,979

There was no transfer between levels.

	Fair value at 30 June 2025				2025 Carrying value Total \$'000
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	
Financial assets at fair value					
Loans and advances	–	95,649	–	95,649	95,649
Other debt securities	788,590	59,983	–	848,573	848,573
Equities and units in trusts	–	1,426,631	442,344	1,868,975	1,806,449
Derivative financial assets	–	13,956	–	13,956	13,956
Financial assets for which fair value is disclosed					
Loans and advances	–	2,027,260	1,859,389	3,886,649	3,988,709
Other debt securities	318,438	131,243	–	449,681	448,929
Total for financial assets	1,107,028	3,754,722	2,301,733	7,163,483	7,202,265
Financial liabilities at fair value					
Provision for concessional investments	–	–	142,323	142,323	142,323
Total for financial liabilities	–	–	142,323	142,323	142,323

Accounting policy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- In the absence of a principal market, in the most advantageous market for the asset or liability.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Management assessed that cash, cash equivalents, short-term investments, trade and other receivables, other financial assets, supplier payables, and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following is a description of the determination of fair value for financial instruments using valuation techniques:

Loans and advances

- The fair value on day one is the transaction price, and subsequent fair value is determined by applying market interest rates and using the valuation technique of discounted cash flows through an external valuation system.
- Non-concessional loans are classified as Level 2 and the long-term fixed-rate and variable-rate receivables are valued by the Group through an external valuation system that recognises the discounted value of future cash flows based on current market interest rate (base rate plus a credit adjusted margin) for each customer. The credit adjusted margin for each customer is determined by reference to their SCR as set forth in Note 3.1C: Loans and Advances. These SCRs are reviewed regularly throughout the year by the credit officers and portfolio management team and any significant changes are reported quarterly to the Board.
- Concessional loans together with any loans that are identified as requiring a specific impairment allowance are classified as Level 3 as the impact on the estimated fair value of the loan arising from the concessionality or a forecast shortfall in cash flows in the case of an impaired loan have to be derived from inputs that are not necessarily based on observable market data. Concessional loans include inputs such as the likely rate of deployment of capital by co-financiers and impaired loans will include inputs such as the likely recovery amount and date of realisation in respect of any security held. Concessional long-term fixed-rate and variable-rate receivables are also valued by the Group through an external valuation system that recognises the discounted value of future cash flows based on current market interest rate (base rate plus a credit adjusted margin) for each customer. The credit adjusted margin for each customer is determined by reference to their SCR as set forth in Note 3.1: Financial assets and these SCRs are reviewed regularly throughout the year by the credit officers and portfolio management. The impact of concessionality as well as recoverable amounts related to security on impaired assets are factored into the forecasts of future cash flows for each of the transactions.
- When it is likely that a loan or debt will not be recovered in full, a specific event is recognised and recorded using the discounted cash flow method. All individual facilities are reviewed regularly.

Notes to Consolidated Financial Statements continued

Note 6: Managing uncertainties

Financial investments

- Fair value of quoted debt securities is derived from quoted market prices in active markets
- Fair value of unquoted debt securities is derived in the same way as loans and advances
- Fair value of quoted equities is derived from quoted market prices in active markets
- Fair value of unquoted equities has been estimated in accordance with the valuation methodologies outlined in the APRA Prudential Practice Guide SPG 531 – Valuation and the International Private Equity and Venture Capital Valuation Guidelines recommended by the Australian Investment Council (formerly Australian Private Equity and Venture Capital (AVCAL)).

Accounting judgements and estimates

Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but if this is not available, judgement is required to establish fair values. The judgements include considerations of liquidity and model inputs such as discount rates, prepayment rates and default rate assumptions.

6.4: Concessional loans

	2026 \$'000	2025 \$'000
Loan portfolio		
Nominal value	3,175,178	2,611,749
Less principal repayment	(461,627)	(345,645)
Less unexpired discount	(410,737)	(288,973)
Less impairment allowance	(59,532)	(21,493)
Carrying value of concessional loans	2,243,282	1,955,638

6.5: Committed credit facilities

Commitments represent funds committed by the Group to third parties where the funds remain available but undrawn at year end. Commitments to provide credit may convert to loans and other assets in the ordinary course of business. As these commitments may expire without being drawn upon, the notional amounts do not necessarily reflect future cash requirements.

At 30 June 2026 the Group is irrevocably committed to fund loan facilities totalling \$7.99 billion (2025: \$2.43 billion) and to purchase bonds totalling \$1.67 billion (2025: \$555 million).

At 30 June 2026 the Group had not entered into any agreements to provide loan advances (2025: \$0.40 billion) subject to the occurrence of future uncertain events.

At 30 June 2026 there was NIL (2025: NIL) of possible future concessional interest rate charges to be recorded in relation to the above contingent credit facilities. The actual amount of concessionality cannot be determined until such time as the commitments become non-contingent.

6.6: Committed equity investments

At 30 June 2026 the Group had entered into agreements to make future equity investments totalling \$640 million (2025: \$667 million) comprising \$259 million disclosed in Note 3.1F and \$381 million disclosed in Note 6.2C.

Note 7: Parent entity information

The parent entity of the consolidated Group is the Clean Energy Finance Corporation.

7.1: Parent entity accounting policies

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements except as set out below. Investments in subsidiaries are accounted for at cost. Dividends received from subsidiaries are recognised in profit or loss when a right to receive the dividend is established, provided that it is probable that the economic benefits will flow to the Parent and the amount of income can be measured reliably.

7.2: Parent Entity Statement of Comprehensive Income for the year ended 30 June

	Notes	2026 \$'000	2025 \$'000
NET COST OF SERVICES			
EXPENSES			
Employee benefits		59,916	52,743
Suppliers		21,807	19,675
Depreciation and amortisation		4,891	3,948
Finance costs		548	211
Concessional loan charges		3,339,373	141,038
Impairment loss allowance on financial assets		73,525	66,251
Losses from sale of assets		5,990	–
Total expenses		3,506,050	283,866
OWN-SOURCE INCOME			
Own-source revenue			
Interest and loan fee revenue		375,260	360,449
Interest on loans to subsidiaries	7.4B	76,086	72,733
Distributions from trusts and equity investments		23,595	20,717
Total own-source revenue		474,941	453,899
GAINS AND LOSSES			
Fair value losses on financial instruments		(138,054)	(38,522)
Fair value gains on financial instruments		82,533	79,805
Profit from sale of assets		–	4,791
Reversal of prior period concessional loan charges		9,723	166,622
Gain on reversal of prior period/(Loss) on modification of financial assets		2,237	(3,628)
Total net (losses)/gains		(43,561)	209,068
Total own-source income		431,380	662,967
Net (cost of)/contribution by services		(3,074,670)	379,101
Revenue from Government		20,020	20,800
Share of associates and joint ventures		31,712	10,385
(Loss)/Surplus from continuing operations		(3,022,938)	410,286
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Share of associates and joint ventures asset revaluation reserve		2,877	9,286
Items subject to subsequent reclassification to net cost of services			
Share of associates gains/(losses) on financial assets at fair value through other comprehensive income		2,532	(5,739)
Total comprehensive (loss)/income		(3,017,529)	413,833

The above statement should be read in conjunction with the accompanying notes.

Notes to Consolidated Financial Statements continued

Note 7: Parent entity information

7.3: Parent Entity Statement of Financial Position
as at 30 June

	Notes	2026 \$'000	2025 \$'000
ASSETS			
Financial assets			
Cash and cash equivalents		1,539,726	1,612,203
Trade and other receivables	7.4C	71,805	69,951
Loans and advances		3,855,106	4,011,491
Loans to subsidiaries	7.4B	1,061,211	1,085,496
Other debt securities		1,239,853	1,297,502
Equities and units in trusts		1,047,756	1,065,155
Equity accounted investments		432,422	395,935
Investment in subsidiaries	7.4A	50,000	250
Derivative financial assets		18,229	13,956
Total financial assets		9,316,108	9,551,939
Non-financial assets			
Property, plant and equipment		27,865	8,224
Prepayments		2,671	2,502
Total non-financial assets		30,536	10,726
Assets held for sale		162,367	72,867
Total assets		9,509,011	9,635,532
LIABILITIES			
Payables and deferred revenue			
Suppliers		5,493	6,539
Deferred revenue		55,651	49,636
Other payables		17,226	15,639
Total payables and deferred revenue		78,370	71,814
Interest bearing liabilities			
Leases		27,021	5,689
Total interest-bearing liabilities		27,021	5,689
Provisions			
Employee provisions		9,479	6,853
Concession on undrawn loan commitments		3,302,979	142,323
Provision for make good of leased premises		436	598
Total provisions		3,312,894	149,774
Total liabilities		3,418,285	227,277
Net assets		6,090,726	9,408,255
EQUITY			
Contributed equity		7,878,362	8,178,362
Reserves		32,775	27,366
(Accumulated deficit)/Retained surplus		(1,820,411)	1,202,527
Total equity		6,090,726	9,408,255

The above statement should be read in conjunction with the accompanying notes.

7.4: Notes to Parent Entity Financial Statements

7.4A: Investment in subsidiary

On 6 December 2016 the Corporation incorporated a subsidiary, CEFC Investments Pty Ltd, and subscribed for 250,000 shares of \$1 each, being 100% of the issued share capital. The Corporation subscribed for a further 49,750,000 shares of \$1 each in CEFC Investments Pty Ltd on 30 January 2026. CEFC Investments Pty Ltd remains a 100% subsidiary.

7.4B: Loan to subsidiary

The Corporation has provided unsecured loan facilities to its subsidiary CEFC Investments Pty Ltd on the following terms:

- Weighted average interest rate at 30 June 2026: 7.14% (2025: 6.85%)
- Interest payment dates: 15 January and 15 July each year
- Maturity dates: ranging from 20 June 2027 to 31 December 2035.

The balance outstanding at 30 June 2026 was \$1.1 billion (2025: \$1.1 billion) and intercompany interest revenue for the year amounted to \$76.1 million (2025: \$72.7 million).

7.4C: Trade and other receivables

	2026 \$'000	2025 \$'000
Accrued interest on loan to CEFC Investments Pty Ltd	38,221	36,666
Others	33,584	33,285
	71,805	69,951

Notes to Consolidated Financial Statements continued

Note 8: Other information

8.1: Current/Non-current distinction for assets and liabilities

	2026 \$'000	2025 \$'000
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	1,549,658	1,612,262
Trade and other receivables	42,041	38,909
Loans and advances	363,097	591,398
Other debt securities	344,665	143,737
Prepayments	2,671	2,502
Property, plant and equipment	–	1,258
Assets held for sale	440,545	135,394
Total no more than 12 months	2,742,677	2,525,460
More than 12 months		
Loans and advances	3,492,009	3,420,093
Other debt securities	895,188	1,153,765
Equities and units in trusts	1,656,505	1,806,449
Equity accounted investments	704,462	775,005
Derivative financial assets	18,229	13,956
Property, plant and equipment	27,865	6,966
Total more than 12 months	6,794,258	7,176,234
Total assets	9,536,935	9,701,694
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	7,084	8,376
Deferred revenue	7,077	10,523
Other payables	13,609	12,215
Leases	3,533	2,057
Employee provisions	7,490	5,678
Provision for concession on undrawn loan commitments	30,376	1,105
Total no more than 12 months	69,169	39,954
More than 12 months		
Deferred revenue	48,574	39,114
Other payables	3,702	3,482
Leases	23,488	3,632
Employee provisions	1,989	1,175
Provision for concession on undrawn loan commitments	3,272,603	141,218
Provision for make good of leased premises	436	598
Total more than 12 months	3,350,792	189,219
Total liabilities	3,419,961	229,173

8.2: Segmental information

For management purposes, and in recognition of differing portfolio benchmark target rates of return, the Group is organised into three portfolios and, hence, reportable segments.

General Portfolio

The original CEFC portfolio where a commercial approach is adopted. Largely debt and managed fund investments with a focus on investments that:

- Unlock greater penetration of renewable energy
- Support deployment of clean energy technology in Australian industry
- Support development of clean energy manufacturing/processing
- Support technology and projects that assist safeguard mechanism and facilities reduce emissions.

Specialised Investment Funds

Mainly direct equity in early stage and growth companies and concessional debt funding under special funds with their own PBR targets in the Investment Mandate and in some cases specific appropriations to the CEFC Special Account including:

- Advancing Hydrogen Fund
- Clean Energy Innovation Fund
- Household Energy Upgrades Fund
- Powering Australia Technology Fund.

Rewiring the Nation Fund

Funding larger exposures with more concessional debt for very large infrastructure projects which:

- Support and accelerate AEMO's Integrated System Plan (ISP)
- Support and enhance long duration storage, distribution networks and related infrastructure
- Reduce emissions or support security, reliability and affordability of electricity grids.

The Board monitors separately the revenue and (to the extent reasonably possible given the integrated nature of the business) the operating results of these portfolios for the purpose of making decisions about resource allocation and performance assessment.

Notes to Consolidated Financial Statements continued

Note 8: Other information

Segmented Consolidated Statement of Comprehensive Income for the year ended 30 June 2026

	General Portfolio \$'000	Specialised Investment Funds \$'000	Rewiring the Nation Fund \$'000	Group \$'000
NET COST OF SERVICES				
EXPENSES				
Employee benefits	29,220	11,130	19,565	59,915
Suppliers	10,960	6,945	4,494	22,399
Depreciation and amortisation	2,522	705	1,664	4,891
Finance costs	283	79	186	548
Concessional loan charges	28,662	14,076	3,296,635	3,339,373
Impairment loss allowance on financial assets – loans	23,580	1,872	37,338	62,790
Impairment loss allowance on financial assets – associates and joint ventures	58,844	–	–	58,844
Total expenses	154,071	34,807	3,359,882	3,548,760
OWN-SOURCE INCOME				
Own-source revenue				
Interest and loan fee revenue	236,021	14,950	124,533	375,504
Distributions from trusts and equity investments	49,644	398	–	50,042
Total own-source revenue	285,665	15,348	124,533	425,546
GAINS AND LOSSES				
Fair value gains on financial instruments	77,176	31,096	–	108,272
Fair value losses on financial instruments	(62,560)	(108,359)	–	(170,919)
Profit/(loss) from disposal of assets	54,545	(3,003)	–	51,542
Gain on reversal of prior period/(loss) on modification of financial assets	2,237	–	–	2,237
Reversal of prior period concessional loan charges	2,152	499	7,072	9,723
Total net gains/(losses)	73,550	(79,767)	7,072	855
Net contribution by services	205,144	(99,226)	(3,228,277)	(3,122,359)
Revenue from Government	–	5,491	14,529	20,020
Share of associates and joint ventures	46,385	(5,002)	–	41,383
(Loss)/Surplus from continuing operations	251,529	(98,737)	(3,213,748)	(3,060,956)
Other comprehensive income/(loss)	6,520	(1,111)	–	5,409
Total comprehensive (loss)/income	258,049	(99,848)	(3,213,748)	(3,055,547)

Net assets per segment

30 June 2026

	General Portfolio \$'000	Specialised Investment Funds \$'000	Rewiring the Nation Fund \$'000	Group \$'000
ASSETS				
Financial assets				
Cash and cash equivalents	747,019	88,177	714,462	1,549,658
Trade and other receivables	33,269	2,396	6,376	42,041
Loans and advances	2,472,240	98,709	1,284,159	3,855,106
Other debt securities	1,100,925	138,928	–	1,239,853
Equities and units in trusts	1,364,801	291,704	–	1,656,505
Equity accounted investments	663,177	41,285	–	704,462
Derivative financial assets	18,229	–	–	18,229
Total financial assets	6,399,660	661,197	2,004,997	9,065,854
Non-financial assets				
Property, plant and equipment	14,368	4,019	9,478	27,865
Prepayments	2,668	–	3	2,671
Total non-financial assets	17,036	4,019	9,481	30,536
Assets held for disposal	440,545	–	–	440,545
Total assets	6,857,241	665,216	2,014,478	9,536,935
LIABILITIES				
Payables and deferred revenue				
Suppliers	6,786	175	123	7,084
Deferred revenue	18,047	374	37,230	55,651
Inter-segment payable/(receivable)	(6,293)	4,624	1,669	–
Other payables	12,533	686	4,092	17,311
Total payables and deferred revenue	31,073	5,859	43,114	80,046
Interest bearing liabilities				
Leases	13,933	3,897	9,191	27,021
Total interest-bearing liabilities	13,933	3,897	9,191	27,021
Provisions				
Employee provisions	8,616	102	761	9,479
Concession on undrawn loan commitments	31,593	13,684	3,257,702	3,302,979
Provision for make good of leased premises	436	–	–	436
Total provisions	40,645	13,786	3,258,463	3,312,894
Total liabilities	85,651	23,542	3,310,768	3,419,961
Net assets/(liabilities)	6,771,590	641,674	(1,296,290)	6,116,974

Notes to Consolidated Financial Statements continued

Note 8: Other information

Segmented Consolidated Statement of Comprehensive Income for the year ended 30 June 2025

	General Portfolio \$'000	Specialised Investment Funds \$'000	Rewiring the Nation Fund \$'000	Group \$'000
NET COST OF SERVICES				
EXPENSES				
Employee benefits	25,828	10,549	16,366	52,743
Suppliers	9,126	7,946	4,299	21,371
Depreciation and amortisation	2,077	535	1,336	3,948
Finance costs	111	29	71	211
Concessional loan charges	27,416	7,749	105,873	141,038
Impairment loss allowance on financial assets – loans	51,554	2,776	10,396	64,726
Impairment loss allowance/(reversal) on financial assets – associates and joint ventures	(508)	–	–	(508)
Total expenses	115,604	29,584	138,341	283,529
OWN-SOURCE INCOME				
Own-source revenue				
Interest and loan fee revenue	242,658	7,079	110,717	360,454
Distributions from trusts and equity investments	48,287	–	–	48,287
Total own-source revenue	290,945	7,079	110,717	408,741
GAINS AND LOSSES				
Fair value gains on financial instruments	68,636	35,844	–	104,480
Fair value losses on financial instruments	(44,927)	(5,780)	–	(50,707)
Profit from disposal of assets	13,730	117	–	13,847
Loss on modification of financial assets	(3,628)	–	–	(3,628)
Reversal of prior period concessional loan charges	7,317	1,429	157,876	166,622
Total net gains	41,128	31,610	157,876	230,614
Net contribution by services	216,469	9,105	130,252	355,826
Revenue from Government	–	6,529	14,271	20,800
Share of associates and joint ventures	39,478	(7,742)	–	31,736
Surplus from continuing operations	255,947	7,892	144,523	408,362
Other comprehensive income/(loss)	7,245	(3,699)	–	3,546
Total comprehensive income	263,192	4,193	144,523	411,908

Net assets per segment

30 June 2025

	General Portfolio \$'000	Specialised Investment Funds \$'000	Rewiring the Nation Fund \$'000	Group \$'000
ASSETS				
Financial assets				
Cash and cash equivalents	517,819	59,220	1,035,223	1,612,262
Trade and other receivables	29,789	2,026	7,094	38,909
Loans and advances	2,903,987	36,512	1,070,992	4,011,491
Other debt securities	1,154,628	142,874	–	1,297,502
Equities and units in trusts	1,470,386	336,063	–	1,806,449
Equity accounted investments	743,963	31,042	–	775,005
Derivative financial assets	13,956	–	–	13,956
Total financial assets	6,834,528	607,737	2,113,309	9,555,574
Non-financial assets				
Property, plant and equipment	4,327	1,113	2,784	8,224
Prepayments	2,501	1	–	2,502
Total non-financial assets	6,828	1,114	2,784	10,726
Assets held for disposal	62,527	–	72,867	135,394
Total assets	6,903,883	608,851	2,188,960	9,701,694
LIABILITIES				
Payables and deferred revenue				
Suppliers	7,983	167	226	8,376
Deferred revenue	20,173	451	29,013	49,637
Inter-segment payable/(receivable)	320	(1,746)	1,426	–
Other payables	12,825	329	2,543	15,697
Total payables and deferred revenue	41,301	(799)	33,208	73,710
Interest bearing liabilities				
Leases	2,993	770	1,926	5,689
Total interest-bearing liabilities	2,993	770	1,926	5,689
Provisions				
Employee provisions	6,305	57	491	6,853
Concession on undrawn loan commitments	20,606	6,409	115,308	142,323
Provision for make good of leased premises	598	–	–	598
Total provisions	27,509	6,466	115,799	149,774
Total liabilities	71,803	6,437	150,933	229,173
Net assets	6,832,080	602,414	2,038,027	9,472,521

Notes to Consolidated Financial Statements continued

Note 8: Other information

8.3: Budgetary reports and explanation of major variances

The following tables provide a comparison of the original Budget for the Group, as presented in the 2025–26 Portfolio Budget Statements (PBS) to the Actual 2025–26 outcome as presented in accordance with AAS for the Group.

The Budget is not audited.

8.3A: Budgetary reports

Consolidated Statement of Comprehensive Income for the year ended 30 June 2026

	Actual \$'000	Budget ¹ \$'000	Variance ² \$'000
NET COST OF SERVICES			
EXPENSES			
Employee benefits	59,915	67,716	(7,801)
Suppliers	22,399	29,448	(7,049)
Depreciation and amortisation	4,891	7,375	(2,484)
Finance costs	548	757	(209)
Concessional loan charges	3,339,373	4,117,547	(778,174)
Write-down and impairment of financial assets	121,634	188,400	(66,766)
Total expenses	3,548,760	4,411,243	(862,483)
OWN-SOURCE INCOME			
Own-source revenue			
Interest and loan fee revenue	375,504	456,054	(80,550)
Distributions from trusts and equity investments	50,042	53,822	(3,780)
Total own-source revenue	425,546	509,876	(84,330)
GAINS AND LOSSES			
Fair value losses on financial instruments	(170,919)	–	(170,919)
Fair value gains on financial instruments	108,272	–	108,272
Profit from disposal of assets	51,542	–	51,542
Loss on modification of financial assets	2,237	–	2,237
Reversal of prior years' concessional loan charges	9,723	–	9,723
Total net gains	855	–	855
Total own-source income	426,401	509,876	(83,475)
Net cost of services	(3,122,359)	(3,901,367)	779,008
Revenue from Government	20,020	20,197	(177)
Share of associates and joint ventures	41,383	–	41,383
Loss from continuing operations	(3,060,956)	(3,881,170)	820,214
OTHER COMPREHENSIVE INCOME			
Other comprehensive income	5,409	–	5,409
Total comprehensive loss	(3,055,547)	(3,881,170)	825,623

1. The Group's budgeted financial statement that was presented to Parliament in May 2025 in respect of the reporting period (i.e. from the CEFC section in the 2025–26 PBS for the Climate Change, Energy, the Environment and Water Portfolio). Some line items that were netted in the published budget have been grossed-up in this presentation to better align with the actual disclosures under Australian Accounting Standards.

2. Difference between the actual and budgeted amounts for 2025–26. Explanations of major variances are provided in Note 8.3B.

Consolidated Statement of Financial Position as at 30 June 2026

	Actual \$'000	Budget ¹ \$'000	Variance ² \$'000
ASSETS			
Financial assets			
Cash and cash equivalents	1,549,658	645,382	904,276
Trade and other receivables	42,041	39,295	2,746
Loans and advances	3,855,106	5,939,259	(2,084,153)
Other debt securities	1,239,853	1,934,162	(694,309)
Equities and units in trusts	1,656,505	2,046,094	(389,589)
Equity accounted investments	704,462	846,449	(141,987)
Derivative financial assets	18,229	14,553	3,676
Total financial assets	9,065,854	11,465,194	(2,399,340)
Non-financial assets			
Property, plant and equipment	27,865	28,475	(610)
Prepayments	2,671	2,651	20
Total non-financial assets	30,536	31,126	(590)
Assets held for sale	440,545	–	440,545
Total assets	9,536,935	11,496,320	(1,959,385)
LIABILITIES			
Payables and deferred revenue			
Suppliers	7,084	5,257	1,827
Deferred revenue	55,651	111,738	(56,087)
Other payables	17,311	14,388	2,923
Total payables and deferred revenue	80,046	131,383	(51,337)
Interest bearing liabilities			
Leases	27,021	21,605	5,416
Total interest-bearing liabilities	27,021	21,605	5,416
Provisions			
Employee provisions	9,479	6,332	3,147
Concession on undrawn loan commitments	3,302,979	3,334,601	(31,622)
Provision for make good of leased premises	436	598	(162)
Total provisions	3,312,894	3,341,531	(28,637)
Total liabilities	3,419,961	3,494,519	(74,558)
Net assets	6,116,974	8,001,801	(1,884,827)
EQUITY			
Contributed equity	7,878,363	11,033,363	(3,155,000)
Reserves	32,775	23,820	8,955
Accumulated deficit	(1,794,164)	(3,055,382)	1,261,218
Total equity	6,116,974	8,001,801	(1,884,827)

1. The Group's budgeted financial statement that was presented to Parliament in May 2025 in respect of the reporting period (i.e. from the CEFC section in the 2025–26 PBS for the Climate Change, Energy, the Environment and Water Portfolio). Some line items that were netted in the published budget have been grossed-up in this presentation to better align with the actual disclosures under Australian Accounting Standards.

2. Difference between the actual and original budgeted amounts for 2025–26. Explanations of major variances are provided in Note 8.3B.

Notes to Consolidated Financial Statements continued

Note 8: Other information

Consolidated Statement of Changes in Equity
for the year ended 30 June 2026

	Retained Surplus/(Accumulated Deficit)			Reserves			Contributed Equity			Total Equity		
	Actual \$'000	Budget ¹ \$'000	Variance ² \$'000	Actual \$'000	Budget ¹ \$'000	Variance ² \$'000	Actual \$'000	Budget ¹ \$'000	Variance ² \$'000	Actual \$'000	Budget ¹ \$'000	Variance ² \$'000
Opening balance												
Balance carried forward from previous year	1,266,792	825,788	441,004	27,366	23,820	3,546	8,178,363	9,373,363	(1,195,000)	9,472,521	10,222,971	(750,450)
Comprehensive Income												
Deficit for the year	(3,060,956)	(3,881,170)	820,214	-	-	-	-	-	-	(3,060,956)	(3,881,170)	820,214
Other comprehensive income	-	-	-	5,409	-	5,409	-	-	-	5,409	-	5,409
Total comprehensive (loss)/income	(3,060,956)	(3,881,170)	820,214	5,409	-	5,409	-	-	-	(3,055,547)	(3,881,170)	825,623
Transactions with owners												
Contributions by owners												
Net equity injection (to)/from Special Account	-	-	-	-	-	-	(300,000)	1,660,000	(1,960,000)	(300,000)	1,660,000	(1,960,000)
Total transactions with owners	-	-	-	-	-	-	(300,000)	1,660,000	(1,960,000)	(300,000)	1,660,000	(1,960,000)
Closing balance as at 30 June	(1,794,164)	(3,055,382)	1,261,218	32,775	23,820	8,955	7,878,363	11,033,363	(3,155,000)	6,116,974	8,001,801	(1,884,827)

1. The Group's budgeted financial statement that was presented to Parliament in May 2025 in respect of the reporting period (i.e. from the CEFC section in the 2025-26 PBS for the Climate Change, Energy, the Environment and Water Portfolio). Some line items that were netted in the published budget have been grossed-up in this presentation to better align with the actual disclosures under Australian Accounting Standards.

2. Difference between the actual and original budgeted amounts for 2025-26. Explanations of major variances are provided in Note 8.3B.

Consolidated Cash Flow Statement for the year ended 30 June 2026

	Actual \$'000	Budget ¹ \$'000	Variance ² \$'000
OPERATING ACTIVITIES			
Cash received			
Receipts from Government	20,020	20,197	(177)
Interest and fees	332,756	401,599	(68,843)
Distributions from trusts and equity investments	46,774	50,470	(3,696)
Total cash received	399,550	472,266	(72,716)
Cash used			
Employees	55,691	67,173	(11,482)
Suppliers	25,763	29,473	(3,710)
Interest payments on lease liabilities	496	757	(261)
Total cash used	81,950	97,403	(15,453)
Net cash from operating activities	317,600	374,863	(57,263)
INVESTING ACTIVITIES			
Cash received			
Principal loan repayments received	1,303,133	916,410	386,723
Sale of other debt securities	116,247	76,188	40,059
Sale of equities and units in trusts	309,241	109,000	200,241
Sale of investment in associates and joint ventures	127,838	–	127,838
Distributions from associates and joint ventures	26,291	–	26,291
Total cash received	1,882,750	1,101,598	781,152
Cash used			
Loans made to other parties	1,253,476	3,262,659	(2,009,183)
Purchase of other debt securities	135,500	585,936	(450,436)
Purchase of equities and units in trusts	262,239	324,000	(61,761)
Investment in associates and joint ventures	308,539	–	308,539
Purchase of property, plant, equipment and computer software	513	6,250	(5,737)
Total cash used	1,960,267	4,178,845	(2,218,578)
Net cash used by investing activities	(77,517)	(3,077,247)	2,999,730
FINANCING ACTIVITIES			
Cash received			
Contributed equity	150,000	1,810,000	(1,660,000)
Total cash received	150,000	1,810,000	(1,660,000)
Cash used			
Return of equity	450,000	150,000	300,000
Principal payments of lease liabilities	2,687	5,250	(2,563)
Total cash used	452,687	155,250	297,437
Net cash (used by)/from financing activities	(302,687)	1,654,750	(1,957,437)
Net decrease in cash held	(62,604)	(1,047,634)	985,030
Cash and cash equivalents at the beginning of the reporting period	1,612,262	1,693,016	(80,754)
Cash and cash equivalents at the end of the reporting period	1,549,658	645,382	904,276

1. The Group's budgeted financial statement that was presented to Parliament in May 2025 in respect of the reporting period (i.e. from the CEFC section in the 2025–26 PBS for the Climate Change, Energy, the Environment and Water Portfolio). Some line items that were netted in the published budget have been grossed-up in this presentation to better align with the actual disclosures under Australian Accounting Standards.

2. Difference between the actual and original budgeted amounts for 2025–26. Explanations of major variances are provided in Note 8.3B.

Notes to Consolidated Financial Statements continued

Note 8: Other information

8.3B: Major budget variances for 2025-26

Affected line items	Explanations of major variances
Consolidated Statement of Comprehensive Income:	
Concessional loan charges and reversal of prior years' concessional loan charges	The budget had assumed concessional loan charges of \$4,118m, predominantly for RTNF loans, but the actual concession, net of reversal of prior years' concession charges, was a net charge of \$3,330m, a positive net variance of \$788m. This variance is primarily due to the concession charge on a large RTN loan commitment being \$700m lower than originally anticipated.
Write down and impairment of financial instruments	The Group's impairment provision expense for the year was \$121.6m resulting in a favourable variance of \$66.8m in write down and impairment of financial instruments. The budget assumed a statistical provision for impairment on large new loan commitments that have not yet reached contractual close.
Interest and loan fee revenue	Interest and loan fee revenue is \$80.6m lower than budget, principally due to lower loan balances (as discussed under Balance Sheet and Cash Flow Statement).
Fair value gains and losses on financial instruments	Due to the inherent uncertainty in predicting future changes in the value of financial assets that are largely driven by macro-economic indicators such as interest rates and property yields that are largely outside the control of the Corporation, the CEFC does not generally budget for fair value gains or losses that result from these macro-economic changes. Fair value gains of \$108.3m relate mostly to Equities and units in trusts, mainly in the General Portfolio. Fair value losses of \$170.9m relate primarily to a reduction in the value of Equities and units in trusts, mainly in the Innovation Fund, as well as the reversal of \$33.0m of prior fair value gains now realised on disposal.
Profit from disposal of assets	A net gain of \$51.5m was realised on the disposal of certain equity investments as part of CEFC's capital optimisation strategy. \$33.0m of this gain had been recognised under Fair Value gains in prior years.
Consolidated Statement of Financial Position and Consolidated Statement of Changes in Equity:	
Cash and cash equivalents	Cash and cash equivalents are \$904.3m higher than budget, due to net cash outflows for investing activities during the year \$3,000m lower than budgeted, partly offset by net cash inflows from financing activities \$1,957m lower than budgeted and other variances as discussed under Consolidated Cashflow Statement.
Loans and advances	Loans and advances are \$2,084m lower than budget. This variance is primarily in RTNF and due to a combination of borrowers calling for committed funding later than anticipated (timing of drawdowns is outside CEFC control), budgeted new commitments taking longer to reach financial close and, to a lesser extent, early cancellation or repayments of committed loans.
Other debt securities	Other debt securities are \$694.3m lower than budget due to the timing of bond purchases in connection with aggregation programs in the General Portfolio and HEUF.
Equities and units in trusts	Equities and units in trusts are \$389.6m lower than budget including the impact of sales of investments as part of CEFC's capital optimisation strategy implemented after the budget was set.
Equity accounted investments	Equity accounted investments are \$142.0m lower than budget including the impact of sales of investments as part of CEFC's capital optimisation strategy implemented after the budget was set.

Affected line items

Explanations of major variances

Consolidated Statement of Financial Position and Consolidated Statement of Changes in Equity (continued):

Contributed equity	Contributed equity is \$3,155m lower than budget. The opening balance at 1 July 2025 was \$1,195m lower than budgeted and net draws from the Special Account during the year were \$1,960m lower than budgeted. These variances are due to lower than budgeted Investing outflows delaying the need for funds to be drawn from the CEFC Special Account to fund anticipated draws by borrowers that have been delayed.
Accumulated deficit	The accumulated deficit of \$1,794.2m at 30 June 2026 is \$1,261m better than budget. Of this, \$441.0m is due to the higher than budgeted retained surplus at the beginning of the year and \$825.6m due to the lower than budgeted deficit for the year, largely as a result of the lower than budgeted concessional charges for the year.
Total equity	Total equity at 30 June 2026 is \$1,884.8m lower than budget due to: lower than budgeted Contributed equity \$3,155m, higher than budget Reserves \$9.0m and Accumulated deficit \$1,261m as described above.

Consolidated Cash Flow Statement:

Net cash from operating activities	The \$57.3m shortfall to budget is primarily attributable to lower than budgeted interest receipts partly offset by lower than budgeted spend on employees and suppliers.
Principal loan repayments received	Principal loan repayments received are \$386.7m higher than budget due to unbudgeted early repayments by a number of borrowers, mainly in the General Portfolio.
Sale of equities and units in trusts and associates and joint ventures	Proceeds from the sale of equities and units in trusts and investments in associates and joint ventures were \$354.4m higher than budget reflecting the sale of a number of General Portfolio investments as part of CEFC's capital optimisation strategy implemented after the budget was set.
Loans made to other parties	Cash used to fund loans made to other parties is \$2,009m below budget. This is due to a combination of existing loans drawing at a slower rate than had been assumed in the budget, and budgeted new loans not yet being committed, with the majority of the variance relating to RTNF loans.
Purchase of other debt securities	The amount invested in other debt securities during the year is \$450.4m less than budget due to the timing of bond purchases in connection with aggregation programs in the General Portfolio and HEUF.
Purchase of equities and units in trusts and Investment in associates and joint ventures	Purchase of equities and units in trusts and Investment in associates and joint ventures is a net \$246.8m higher than budget due to timing differences on committed investments as funds budgeted to be called in 2024–25 were not called until 2025–26.
Contributed equity and return of equity	The CEFC drew \$1,660m less than budget from the Special Account to fund new investment commitments, primarily due to slower than budgeted net investing cash outflows in the RTNF, and returned \$300m more than budget to the Special Account from the proceeds of loan repayments, primarily in the General Portfolio, leading to a net variance of \$1,960m for the year.
Cash and cash equivalents at the end of the reporting period	Cash and cash equivalents at 30 June 2026 are \$904.3m higher than budget, mainly due to net cash outflows for investing activities \$2,999.7m lower than budget, partly offset by net inflows from financing activities \$1,957.4m lower than budget.

Sustainability





How we approach sustainability and climate disclosure

Sustainability	
Commonwealth Climate Disclosure	140
ESG Report	168
EPBC Report	172

Commonwealth Climate Disclosure

Commonwealth Climate Disclosure

The CEFC plays an important role in supporting Australia's transition to a net zero economy by 2050. Our investment and corporate activities contribute to delivering Australia's emissions reduction targets under the Paris Agreement and securing climate-related opportunities across the economy. Our activities are disclosed under the Commonwealth Climate Disclosure Policy and the Australian Public Service Net Zero 2030 emissions reporting policy.

Governance

Corporate responsibility, accountability and reporting

As a corporate Commonwealth entity and Specialist Investment Vehicle (SIV), the CEFC meets the thresholds to report as a Tranche 1 entity under the Commonwealth Climate Disclosure (CCD) Policy. CEFC disclosures in this section align with the mandatory CCD requirements for Year 2 disclosures, as well as additional voluntary disclosures, including financed emissions and relevant cross industry metrics from our investments.

Many of the relevant criteria align with the core purpose and activities of the CEFC. Where appropriate, these are addressed throughout this Annual Report, the CEFC Corporate Plan, and our Climate-related Risk and Opportunity Procedure. Refer to *Appendix H* for disclosures against CCD reporting requirements.

The CEFC Board is the accountable authority for the CEFC under section 12 of the PGPA Act and is responsible for approving this CCD. Reporting on climate-related risks and opportunities is provided to the Board on a quarterly basis, with targeted portfolio analysis (including scenario analysis) on a periodic basis.

Structure and accountability

CEFC climate-related requirements are included in the CEFC ESG Policy, Commonwealth Risk Management Policy, CCD Policy and through alignment with the Net Zero in Government Operations Strategy Net Zero Emissions by 2030 target. Where appropriate, we also align with the Australian Government's Approach to Climate Risk and Opportunity Management in the Public Sector 2024-26 (CROMP), noting that the CEFC investment risk management requires a broader approach to address matters of material risk.

During the reporting year, CEFC implemented targeted updates to its governance framework, including the Board and Committee charters, Risk Management framework (RMF) and Risk Appetite Statement (RAS) to recognise climate-related risks and opportunities more clearly across the organisation. Updates to the RMF clarify how climate-related risks and opportunities are identified and managed across investments and operations, while the RAS articulates risk tolerances and updates to Board and Committee charters clarify oversight and accountability. This supports the consistent consideration of climate-related risks and opportunities as part of CEFC's strategy, investment decision-making and corporate practice.

Figure 39: Climate governance and accountability structure



Commonwealth Climate Disclosure continued

Skills and capabilities

Climate capability is required across all levels of the organisation, supporting our ability to make informed climate-related investment decisions, and effectively manage risks as we invest. Our capability enables us to keep abreast of and respond to advances in climate science, policy, industry and market dynamics. We are committed to continually strengthening our in-house capability as climate-related risk management evolves, and provide ongoing training and staff development programs.

At a Board level, new Board members will be provided with induction and onboarding training on climate-related disclosures. Through targeted papers and updates, the Board is briefed on related policy matters, climate-related strategy, scenario analysis, disclosure standards and legal obligations. This specifically includes CEFC approach and practice.

At a management level, the CEFC has personnel with the requisite skills to oversee and implement its climate strategies.

- **Internal capability:** specialist climate-related skills are embedded across the investment, asset management and corporate support teams, including sustainable finance, investment structuring and management, climate risk assessment, GHG accounting, decarbonisation strategy development, sustainability and risk management
- **Focused recruitment and continued learning:** a strong focus on building skills in-house, ongoing professional development and knowledge-sharing ensures the CEFC continues to build its expertise on an enterprise-wide basis
- **Multi-disciplinary expertise:** teams bring deep, multi-disciplinary expertise, drawn from diverse technical and professional backgrounds, and industry sectors
- **Policy and market knowledge:** strong policy insights, market and sector knowledge, and climate focused leadership skills, to support delivery of investment outcomes
- **Specialist research team:** dedicated in-house team providing research and analytical capability to inform CEFC strategy and leadership to our stakeholders and peers.

Strategy

Climate-focused investment strategy

The CEFC strategic investment priorities recognise the urgent nature of Australia's emissions challenge. The Government's climate targets, including achieving emission reductions of 62–70 per cent by 2035 and net zero emissions by 2050 inform CEFC investment strategy. Our economy-wide approach to decarbonisation prioritises investment across three main areas: energy decarbonisation; the efficient use of energy and materials; and the development of natural capital and carbon sequestration measures.

Our investment activities are aligned to these priorities with our achievements outlined in the *Performance Statement* on page 26. Our forward view outlining how CEFC capital is channelled into climate-related opportunities is articulated in *How we invest* on page 22 and our *Corporate Plan 2026–2027*.

CEFC's identification and management of climate risks and opportunities spans the investment lifecycle:

- **Origination:** identifying decarbonisation opportunities that align with our strategic objectives, corporate plan objectives, the CEFC Act and Investment Mandate
- **Investment decision-making:** as part of the screening process, we consider investment-level climate risks and seek to capitalise on opportunities. Our investments help scale new technologies and commercial frameworks, supporting the decarbonisation of critical sectors and open up new pathways for private capital
- **Asset management:** actively monitor climate risks and opportunities at the asset and portfolio thematic levels, including portfolio climate risk assessments and scenario analysis
- **Net Zero alignment:** in 2025–26 the CEFC developed a net zero alignment framework that categorises investments and will enable us to track progress in terms of relative net zero performance in a 1.5°C scenario. The framework leverages market guidance from the International Investors Group on Climate Change Net Zero Investment Framework 2.0 (NZIF 2.0), and the Australian Sustainable Finance Taxonomy. CEFC's portfolio net zero alignment status and method are set out in our [Climate-related risk and opportunity procedure](#).

Supporting the transition

The CEFC Act and Investment Mandate establish the CEFC’s focus on delivering solutions that support and enable the transition to a net zero economy – refer to our *Strategic Framework* in our *Corporate Plan 2026–2027* and section 1 *Performance* which illustrates how our investment activity is catalysing change. For further information on our activities and approach, refer to *How we invest*, *Where we invest* and *Investment outcomes*.

Climate-related risk and opportunities

Climate-related risk assessment – investment impacts

CEFC considers climate-related physical and transition risks and the potential for these to affect our investment activities and financial performance:

- **Transition:** considers evolving regulatory requirements, technology trends, market fluctuations or policy shifts that may affect the viability of projects across all sectors and/ or require adjustments to our origination or investment approach

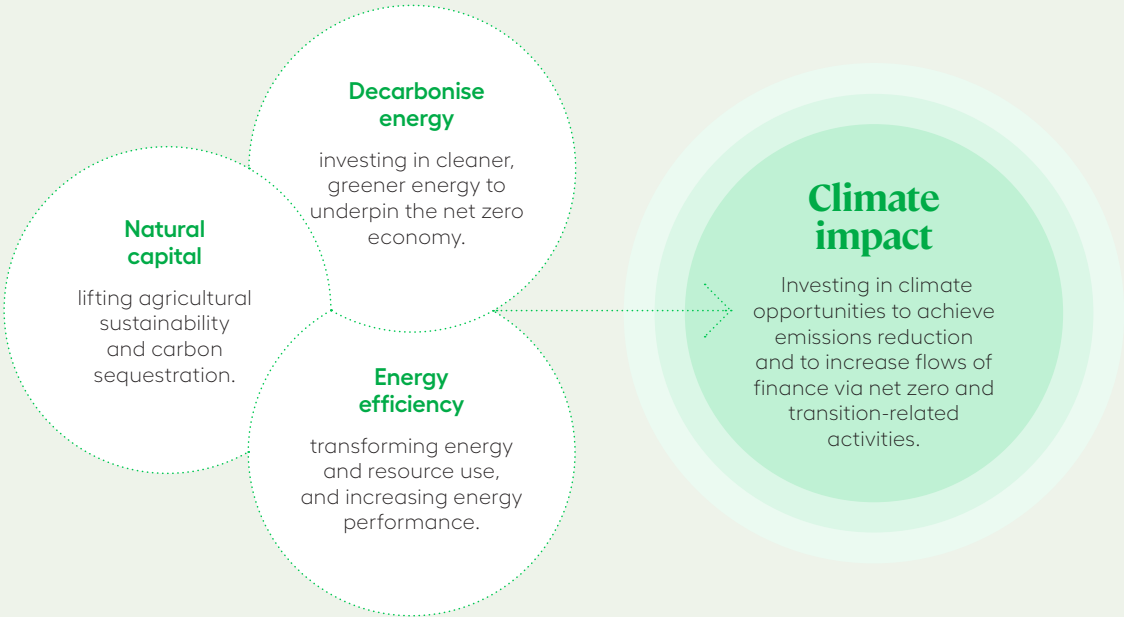
- **Physical:** events such as the frequency of extreme weather may impact assets in our portfolio and therefore affect how we deliver long-term climate solutions and economic outcomes. Individual assets are assessed in our investment due diligence process.

Public policy delivery – impacts: The CEFC public policy purpose is to facilitate increased flows of finance into the clean energy sector and to facilitate the achievement of Australia’s greenhouse gas emissions reduction targets. We deliver on our purpose across the breadth of investment activities with the aim of delivering a positive return for taxpayers across our portfolio and catalysing private sector investment by demonstrating successful climate investment outcomes to the market.

We utilise scenario analysis to evaluate the climate impacts on our investment portfolio and to consider the current and anticipated impact on returns.

The current CEFC investment portfolio is subject to relatively low levels of climate-related risks and is realising the benefits from the transition to net zero through climate-related market opportunities – see *Investment outcomes*.

Figure 40: CEFC strategic investment priorities



Commonwealth Climate Disclosure continued

The CEFC’s public policy delivery was not materially impacted by climate-related risks in 2025–26. Where there are anticipated climate-related risks in the medium to long term, our strategic priorities are targeted at decarbonisation, catalysing the market and supporting physical and financial resilience at a sectoral level. In the short to medium term, the CEFC is focused on securing the underlying opportunities arising from the transition, under a Net Zero 2050, orderly scenario.

In accordance with the CCD Year 2 requirements, the CEFC has utilised all reasonable and supportable information available without undue cost or effort to assess our climate-related risks and opportunities.

Corporate-related impacts

The potential climate impacts for our operations are typically physical. With the CEFC having offices in Sydney, Melbourne, Brisbane and Perth, we consider disparate regional physical climate risks as part of our business continuity and operational planning over various time horizons.

There are no material current effects to our corporate offices and operations, from climate-related physical risks. We anticipate that our offices and operations may be subject to the following impacts in higher temperature scenarios:

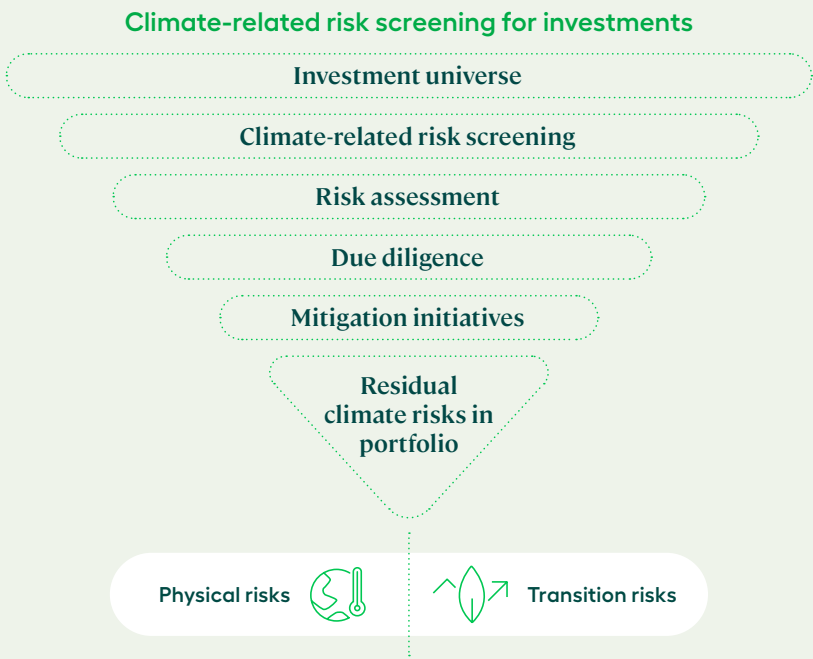
- Disruptions to transport, office access, communications and availability of technology during extreme weather events, such as storms, floods or bushfires
- Reduced staff productivity during prolonged weather-related events, specifically related to extreme heat
- Potential supply chain delays affecting delivery of critical supporting technology or services.

CEFC corporate offices and operations are not currently impacted by material transition risks. We anticipate that under an orderly transition there will be increased costs through energy supply and our supply chain, where climate-related impacts drive market increases or pressure in the energy market.

CEFC in 2025–26 undertook a number of actions to prepare our operational model for future anticipated climate-related effects including:

- Consideration of physical risks and climate-related hazards within the CEFC Business Continuity and Recovery Framework
- Development of policies including travel and procure-to-pay to consider climate-related factors including emissions intensity.

Figure 41: Material climate-related risks and opportunities: Investment related process



Public policy effects, strategy and decision-making effects¹

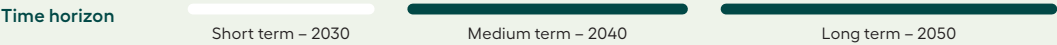
CEFC sets out its material climate-related risks and opportunities arising from our scenario analysis in the table below, addressing public policy effects and our current and planned actions in response. Refer to *Scenario Analysis* section for further details.

Risk 1	Investment transition risk exposure (most acutely in equity positions) leads to material shifts in policy and regulation, consumer sentiment, technology adoption, associated labour shifts and market uncertainty under a 1.5°C Net Zero 2050, orderly transition scenario		
Time horizon	 Short term – 2030	 Medium term – 2040	 Long term – 2050
Concentration	Equity positions		
Current effects: 2025–26 reporting period Public policy delivery: very low current effects, confirmed under current year assessment of climate value at risk, under a multi-horizon assessment to 2030.		Anticipated effects: Short-, medium- and long-term time horizons Public policy delivery: limited to low exposure impacts in the short-term across the portfolio. In the medium term, Value-at-risk in the equity portfolio increases from low-to-medium, to high levels of value-at-risk in the medium to long term in the agriculture, infrastructure, and resources sectors. Potential increased cost of operations in exposed sectors, and higher financing costs placing pressure on project viability. The CEFC will invest in companies/projects to help support their transition, to navigate the challenges seeking to secure more resilient financial outcomes – see opportunities 1 and 3 below.	
Strategy & decision-making Actions planned or undertaken in 2025–26 to manage effects Actions undertaken: integration of transition assessment and monitoring in governance and reporting systems. Development of climate-related risk and opportunity process and procedures (including due diligence) to support investment and asset management activities and decision-making. Focus on investing in climate-related solutions. Planned actions: further integration of transition risk assessment into the investment process. Enhanced quantitative assessment of transition risk within portfolio to support future financial-related disclosures. Integration of adaptation and resilience considerations into investments in materially exposed investments. Investment in technology and assets that reduce financial exposure to transition risk and support others to manage their exposures. Also see opportunities 1 and 3 below.			

1. The risk ratings for physical and transition risk are derived from the calculation of modelled average annual loss (MAAL) and climate value-at-risk (CVAR). Thresholds are applied to support ratings and are detailed in the Climate scenario analysis, basis of preparation.

Commonwealth Climate Disclosure continued

Risk 2 Relatively higher transition risk exposure and value-at-risk in exposed sectors, across all scenarios most pronounced in 1.5°C Net Zero 2050 orderly transition scenario



Concentration Natural capital, resources, and infrastructure

Current effects:
2025–26 reporting period

Public policy delivery: low current effects; confirmed under current year assessment of CVaR, under a multi-horizon assessment to 2030. Emerging cost pressure.

Anticipated effects:
Short-, medium- and long-term time horizons

Public policy delivery: low levels of exposure and risk in the short-term but elevating in exposed sectors in the medium to long term, with the exposure to Climate Value at Risk (CVaR) increasing to moderate to high levels. Higher costs to operate, regulatory pressure driving adaptation and transition planning requiring patient capital and increased risk appetite to manage impacts in the medium to long term. Increased capital demands to keep pace with regulatory and market demand. Impacts on management and financial planning to adapt to prevailing market conditions under an orderly transition.

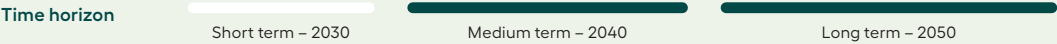
Strategy & decision-making
Actions planned or undertaken in 2025–26 to manage effects

Actions undertaken: development of methodology to assess affected sectors for transition-related risks in investments, including carbon-related exposures.

Planned actions: implement mitigants and management of transition risks where material. Engagement and support of counterparties to develop and manage their plans. Review and assess potential financing strategies to support transition efforts. Where material integrate requirements in transactions and risk mitigants, management plans including onward climate-related assessments and monitoring requirements.

Also see opportunities 1 and 3 below.

Risk 3 Increased physical risk within a medium high 4°C scenario, principally due to chronic risk relating to heat-related hazards



Concentration Natural capital and resources.

Current effects:
2025–26 reporting period

Public policy delivery: low current effects, some pressures due to temperature extremes and related hazard impacts on specific assets which are monitored.

Anticipated effects:
Short-, medium- and long-term time horizons

Public policy delivery: low impacts in the short term, potential to grow to medium in specific sectors, more pronounced in medium–high temperature scenarios (4°C) over the medium to long term. Specific assets with most climate exposure subject to a range of potential heat-related impacts with increased cost from mitigation and productivity losses, with business related exposure increasing due to insurance, management, and resourcing costs.

Strategy & decision-making
Actions planned or undertaken in 2025–26 to manage effects

Actions undertaken: integration of physical risk assessment into investment process, via portfolio assessments addressing material exposures, monitoring and engagement with counterparties through our asset management activities.

Planned actions: integration of climate adaptation and resilience as a material topic within our ESG Policy, with an implementation plan to support integration into our investment process. Monitoring and engagement with counterparties on specific investments relating to transition planning, adaptation plans and funding of initiatives.

Opportunity 1 Financing decarbonisation in hard-to-abate sectors, realising the underlying opportunities to position companies for a Net Zero 2050 orderly transition

Time horizon			
	Short term – 2030	Medium term – 2040	Long term – 2050
Concentration	Manufacturing, transportation, resources and infrastructure		
Opportunity type	Transition		

Current effects: 2025–26 reporting period

Public policy delivery: CEFC is realising opportunities in hard-to-abate sectors, realising the opportunities arising from the convergence of net zero policies and market demand for decarbonisation. There are technology opportunities in the market. CEFC has deployed capital in line with our policy intent.

Anticipated effects: Short-, medium- and long-term time horizons

Public policy delivery: continued and increasing demand for CEFC finance to invest in technology solutions, particularly within the Net Zero 2050 orderly transition scenario. Potential pressure on sources of capital to continue to meet market demand under higher temperature scenarios.

Strategy & decision-making

Actions planned or undertaken in 2025–26 to manage effects

Actions undertaken: Developed and executed in line with Investment Mandate and strategic priorities. Meeting our corporate objectives set out in our ongoing Corporate Plan's, including on abatement and investment in hard-to-abate sectors.

Planned actions: execution of 2026–27 Corporate Plan in line with strategic priorities.

Opportunity 2 Investment in clean energy, storage, and electrification

Time horizon			
	Short term – 2030	Medium term – 2040	Long term – 2050
Concentration	Transmission, renewables and debt markets (including Household Energy Upgrades Fund)		
Opportunity type	Transition		

Current effects: 2025–26 reporting period

Public policy delivery: CEFC is realising opportunities with deployments across transport, distributed and consumer energy resources supporting the transition. Continued investment in transmission and renewable energy.

Anticipated effects: Short-, medium- and long-term time horizons

Public policy delivery: continued and increasing demand for CEFC finance to invest in clean energy, storage and electrification across all scenarios. Potential pressure on sources of capital to continue to meet market demand.

Strategy & decision-making

Actions planned or undertaken in 2025–26 to manage effects

Actions undertaken: CEFC increased funding through the period to \$33b. Developed Corporate Plan in line with Investment Mandate and strategic priorities. Meeting our corporate objectives, including on abatement and investment in hard-to-abate sectors. Contracting of three Rewiring the Nation transactions through the period.

Planned actions: execution of 2026–27 Corporate Plan in line with strategic priorities. Ongoing focus on distributed energy resources/consumer energy resources (DER/CER).

Commonwealth Climate Disclosure continued

Opportunity 3 Supporting early-stage innovation, decarbonisation enablers and market transformation through capital deployment

Time horizon	Short term – 2030 Medium term – 2040 Long term – 2050
Concentration	All sectors
Opportunity type	Transition

Current effects:
2025–26 reporting period

Public policy delivery: CEFC is realising growth and enabling opportunities in sectors including natural capital and renewable energy.

Anticipated effects:
Short-, medium- and long-term time horizons

Public policy delivery: continued and increasing demand for CEFC finance to invest in and scale commercial stage companies and innovative climate solutions, with accelerated growth anticipated under a Net Zero 2050 orderly transition, driving demand.

Strategy & decision-making
Actions planned or undertaken in 2025–26 to manage effects

Actions undertaken: invested in emerging technologies and business models and innovative solutions including in the early-stage climate tech sector.

Planned actions: execution of 2026–27 Corporate Plan in line with strategic priorities. Focus on delivering climate opportunities for hard to abate sectors and CER/DER technologies that can scale in the market.

Opportunity 4 Land management activities in agriculture and forestry, including ecosystem restoration, which helps support nature co-benefits such as soil condition, water quality and biodiversity

Time horizon	Short term – 2030 Medium term – 2040 Long term – 2050
Concentration	Natural capital
Opportunity type	Physical

Current effects:
2025–26 reporting period

Public policy delivery: CEFC is actively supporting and delivering on the Australian Government’s policy to deliver emission reductions through land use and to rehabilitate Australia’s natural environment.

Anticipated effects:
Short-, medium- and long-term time horizons

Public policy delivery: CEFC investments will demonstrate how financing emissions reductions can be integrated into agriculture and/or forestry systems. CEFC investment can identify underlying opportunities to invest in technologies and methods that support more sustainable practices and demonstrate decarbonisation practices and technologies. CEFC scenario analysis shows that there are underlying opportunities to innovate and secure climate-related opportunities, across agriculture driven by a broad range of climate-related factors.

Strategy & decision making
Actions planned or undertaken in 2025–26 to manage effects

Actions undertaken: CEFC committed in \$250 million natural capital projects through 2025–26, incorporating the following practices, technologies that reduce emissions in land-based investments.

- Plantation Forestry
- Ecosystem Restoration
- On farm emission reduction activities, such as shelterbelt plantings

Planned actions: execution of 2026–27 Corporate Plan in line with strategic priorities.

Climate scenario analysis

In 2025–26, the CEFC continued to refine its approach to climate scenario analysis, with key developments outlined below:

Portfolio physical and transition risk

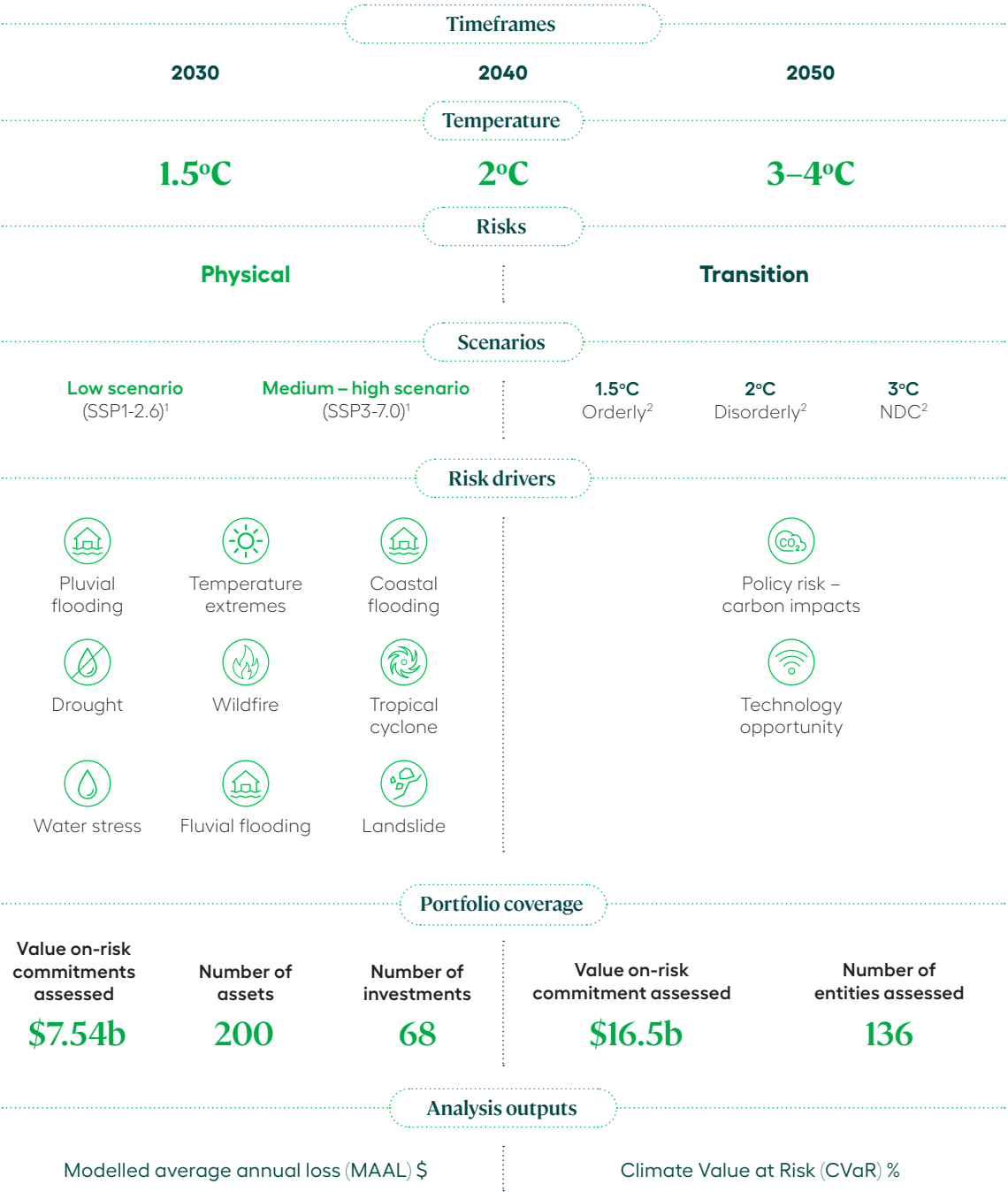
Figure 42: Climate scenario analysis developments: 2025–26

Priority focus	Action
Refreshed scenario analysis¹	Engaged the latest Network for Greening the Financial System (NGFS) Phase V Scenarios to assess transition risk within the portfolio
Asset typologies	Enhanced the categorisation of different financial structures, reviewing the level of impact for different debt instruments
Net zero alignment framework	Developed a new framework to evaluate net zero 1.5°C aligned activities and transition-related opportunities for investments. The framework will provide a portfolio view of CEFC's relative net zero alignment
Transition risk – new methodology	Implemented a new methodology for assessing transition-related risk across the CEFC portfolio, incorporating scenario analysis and assessing a range of impacts via sensitivity analysis

1. CEFC scenario analysis is focused on investment activities, with corporate operations not considered material in comparison.

Commonwealth Climate Disclosure continued

Figure 43: Physical and transition risk attributes: 2025-26



1. Shared Socioeconomic Pathways (SSP) are the Intergovernmental Panel on Climate Change (IPCC) scenarios used to explore future socioeconomic developments and climate change impacts.

2. Further details on macroeconomic trends, national and regional variables, technology and energy-related assumptions are provided in the Climate scenarios basis of preparation (available publicly on our website).

Portfolio exposure approach

The CEFC leverages established third-party frameworks and tools to apply credible parameters and assumptions to its portfolio to understand the risk drivers, the impacts they trigger and the associated financial implications.

- **Physical risk assessment:** The CEFC relies on the IPCC scenarios as the primary external framework. The assessment is supported by outputs from the S&P Global Climanomics platform that quantifies the potential financial impact of these risks across the CEFC portfolio
- **Transition risk assessment:** In 2025–26, the CEFC utilised the MSCI Climate Value-at-Risk tool which integrates scenarios and quantifies the potential financial impact of these risks across our portfolio. We continue to use the NGFS scenarios adopting latest Phase V version. The Phase V scenarios are more relevant due to higher base temperatures, emission profiles in the near term and carbon (shadow) prices.

Scenario timeframes

The CEFC assesses materiality based on its capacity to deliver both public policy outcomes and financial impact, as required under the CCD.

As such, the CEFC adopts a long-term perspective on investment impact, extending beyond the immediate financial exposure term to consider the typical lifespan of the underlying asset. This is particularly relevant given the nature of the CEFC portfolio, which includes long-life assets expected to be in operation beyond the period of our investment. These include electricity transmission infrastructure, renewable energy assets, commercial property and infrastructure. The CEFC horizon extends beyond the tenor of the majority of our investments, providing an extended financial assessment, covering major phases of capital replenishment. Impacts beyond 2050 will be very limited due our investment timeframes, and the time value of relative impacts.

To manage climate-related risks and opportunities, the CEFC has structured its analysis across short-, medium- and long-term horizons. This facilitates the alignment of investment decisions with climate resilience and long-term value.

Figure 44: Time horizons used in the analysis

Time horizon	Years from current financial period	Year
Current	0 years	2025–26
Short	1–4 years	2030
Medium	4–15 years	2040
Long	16–25 years	2050

Physical risk scenario analysis assessment

Scope

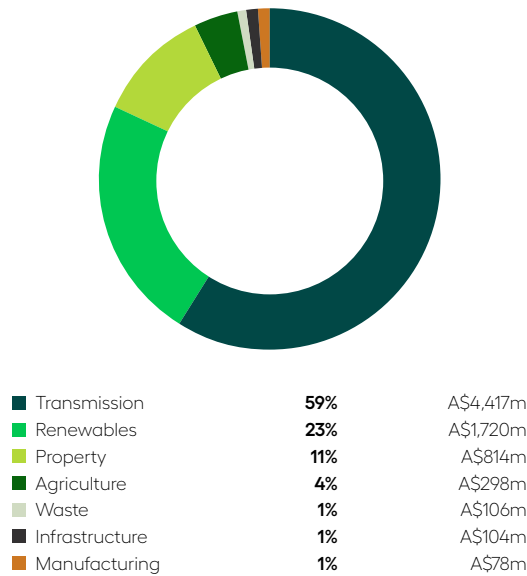
The physical risk assessment evaluated the impacts across 68 investments (\$7.5 billion on-risk commitments) or 40 per cent \$18.7 billion of the CEFC portfolio across all sectors of the CEFC portfolio.

The CEFC portfolio comprises a wide range of financial products and structures, including large single-asset investments, diversified managed funds and corporate loans with multiple discrete projects. In assessing materiality, the CEFC adopts a financial product-agnostic approach, focusing instead on the scale of financial exposure, geographical location and the nature of the underlying tangible assets. In doing so, the CEFC ensures a consistent evaluation across all material investment types.

Through materiality reviews, some investment types were excluded from the assessment, including:

- Geographically diverse asset finance programs
- Some managed fund investments into multiple companies or projects
- Diversified green bonds
- Selective diversified corporate investments where measurement of relevant projects is impractical and risks are limited.

Figure 45: On-risk commitments covered – breakdown



Commonwealth Climate Disclosure continued

Geographic exposure

CEFC investments are located across Australia and subject to a range of climatic and geographical exposures. Approximately \$6.9 billion¹ out of a total portfolio of \$18.7 billion on-risk CEFC portfolio assets are potentially exposed to longer-term chronic climate risks up to 2050, with a notable geographic concentration along mainland Australia’s south-eastern region. Ninety-five per cent of assessed assets are potentially vulnerable to physical risk. Current impacts under a short-term timeframe are low but increasing, predominantly due to temperature extremes and the related impacts of water stress and drought. This includes current exposures in agriculture, property and resources investments (see Figure 46).

The CEFC is supporting opportunities to mitigate these risks and enhance climate resilience through our investment in climate-related solutions. These solutions may include:

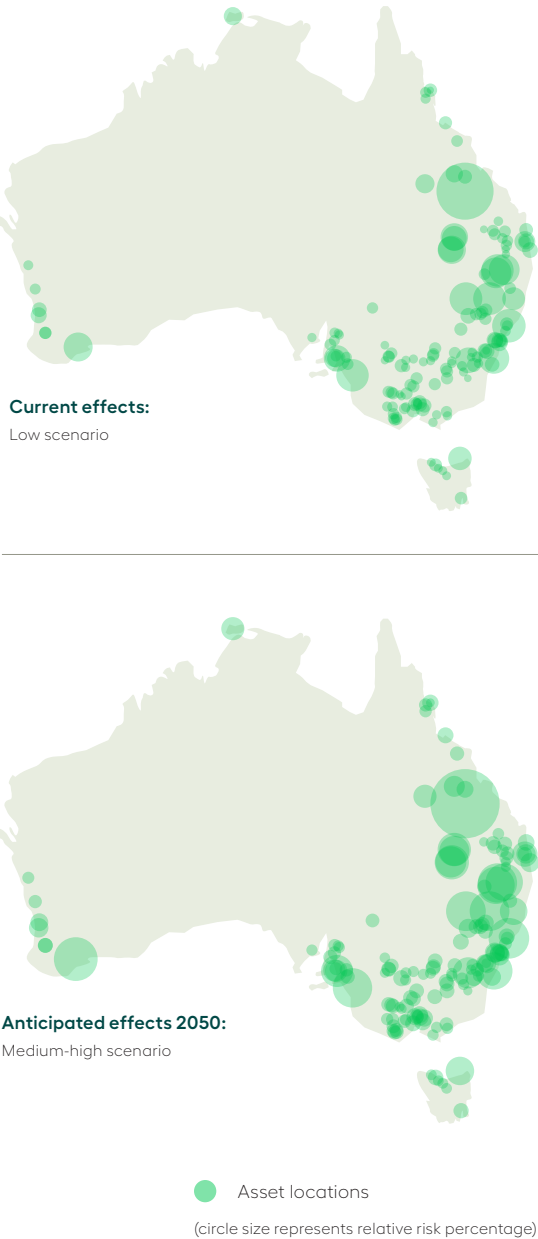
- Embedding adaptation plans for large infrastructure assets
- Deploying nature-based solutions including wetland restoration and solutions to improve soil salinity, water infiltration rates and water holding capacity in natural capital investments
- Development of infrastructure and network assets that will support electrification, the scaling up of renewable power and energy storage, supporting the transition and creating resilience within the economy.

Vulnerability

The overall exposure of the CEFC to physical risk at a portfolio level is relatively low. However, we are vulnerable to climate-related impacts in specific geographies and within specific assets. The nature and the extent of the vulnerability across various time frames is outlined in Figure 46.

Our portfolio includes a concentration of assets located on Australia’s east coast, which increases exposure to climate-related risks. The rising frequency and severity of extreme weather events, along with higher average temperatures, are expected to place long-term pressure on our real asset investments. Our portfolio is more exposed to chronic risks such as sustained temperature increases and gradual climate shifts than to acute risks. The inherently long-term nature and extended lifespan of real assets mean that both types of risks can materially impact asset performance over time. This is particularly relevant for assets such as transmission infrastructure and large-scale renewable energy projects, where long operational lives increase sensitivity to evolving climate conditions.

Figure 46: Physical risk and geographic exposure – current and anticipated



1. See Scenario analysis, Basis of Preparation for exclusions from assessment.

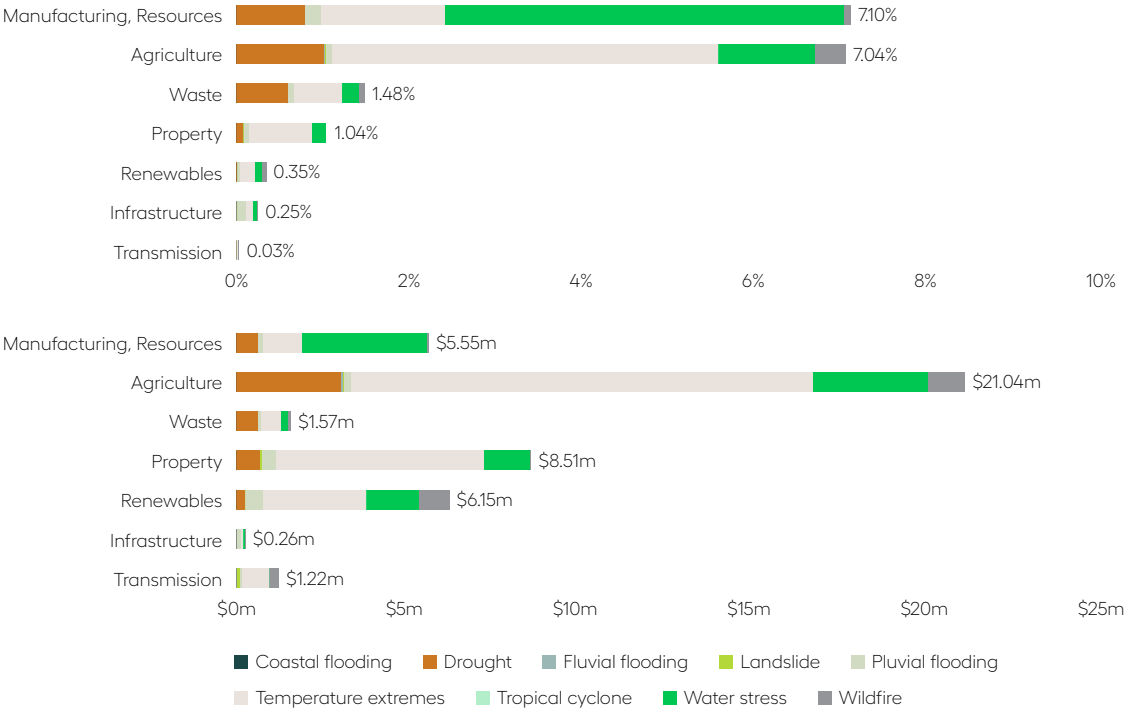
Through our investment due diligence process (where appropriate), we consider vulnerability and engage with our counterparties to identify and consider mitigation measures, with reference to climate risk assessments and physical risk assessments. CEFC integrates physical risk due diligence (where material) into our investment assessment and considers adaption measures taken to manage material physical risks where appropriate.

Physical risk type and CEFC sectors

The CEFC portfolio includes significant investment exposures to sectors that are subject to relatively lower levels of physical climate risk, such as renewables and transmission. Investments across the natural capital, manufacturing and resources and property sectors, are subject to higher levels of climate risk. Overall, the composition and diversification of the CEFC portfolio results in a more balanced level of total sector risk. The physical risk assessment covered \$7.54 billion of on-risk commitments or 40 per cent of the CEFC portfolio.

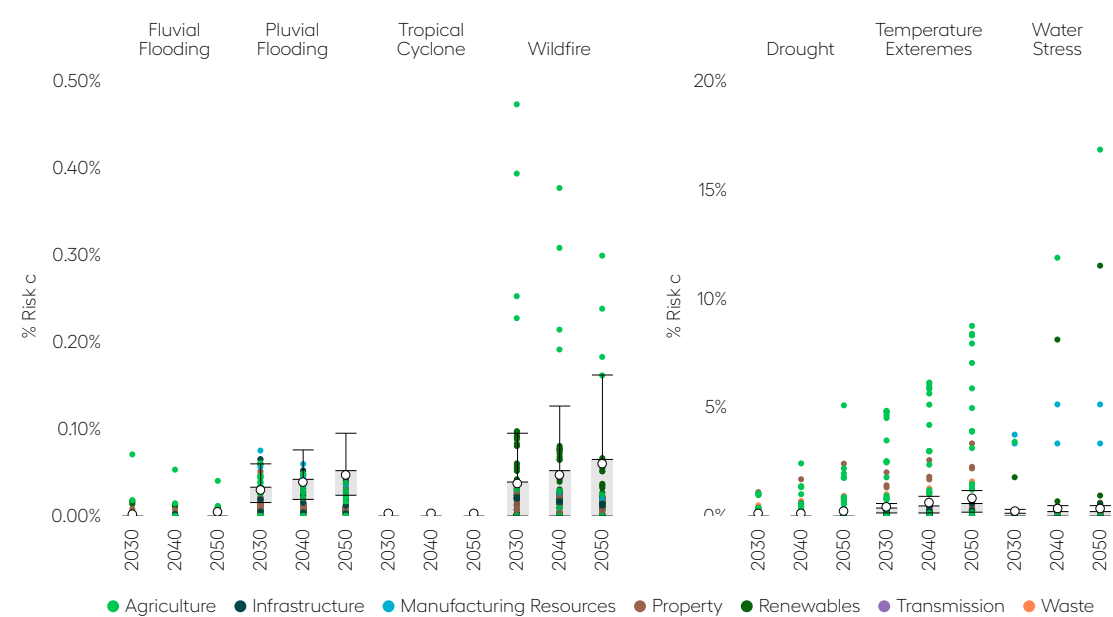
Physical risks vary within the same sector, with individual assets facing different levels of exposure depending largely on their location. Geography plays a major role in shaping these risks, as local climate conditions and hazards can greatly influence vulnerability. Technology use within a sector can also have significant influence.

Figure 47: Physical risk type by sector: medium–high (4°C) 2050 scenario



Commonwealth Climate Disclosure continued

Figure 48: Physical risk percentage range by sector and asset: medium-high (4°C) across 2030, 2040 and 2050 timeframes



Physical risk financial impact analysis

There are moderate increases in risks within the portfolio in the longer term, more pronounced under the medium-high scenario. The most significant hazard category is temperature extremes, which are broadly chronic in nature and are closely coupled with water stress and drought-related impacts within the portfolio.

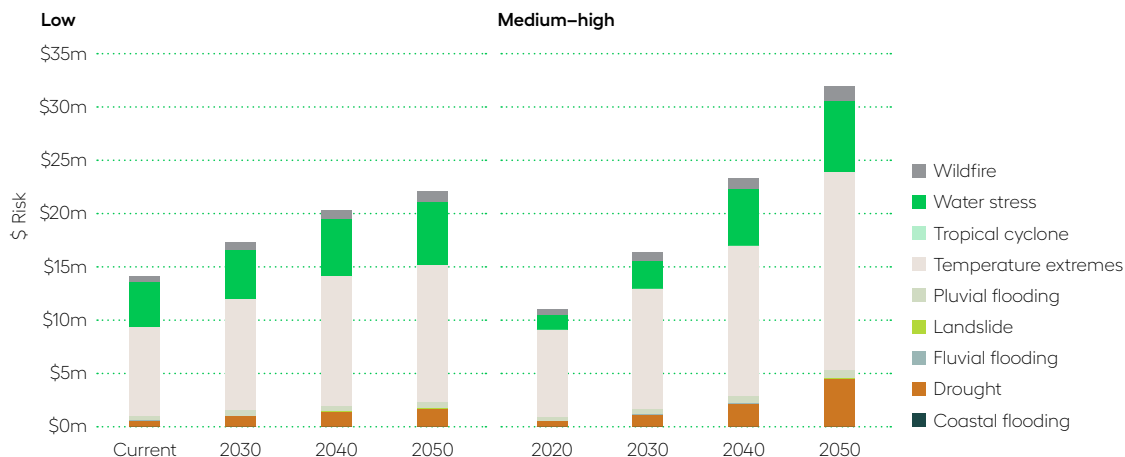
At a sector level, we see the temperature-related impacts continuing across agriculture, manufacturing and resources, property and renewables. In manufacturing and resources, water stress is more elevated. Agriculture assets are the most exposed to physical risks. The individual assets (given their location) are subject to relatively higher levels of exposure, as evident in Figure 48. The CEFC portfolio has low levels of risk due to flooding and tropical cyclone. We are seeing a minor elevation in risk of wildfire in the medium-high scenario within our renewable’s portfolio.

Across the CEFC portfolio, the highest exposure is under a medium-high (4°C) 2050 scenario. Physical risk assessments indicate a potential average modelled annual loss (MAAL) of approximately \$32 million per year by 2050.

Debt exposures are generally better protected than equity investments, reflecting their senior ranking and structured risk profiles. For this analysis, in a default scenario, debt is assumed to suffer a 45 per cent loss given default, whereas equity losses are assumed at 100 per cent. Lower-risk debt investments (characterised in this exercise as those estimated to have less than 1 per cent MAAL each year) are considered unlikely to default due solely to climate-related factors and are therefore excluded. As a result, the majority of the CEFC debt portfolio is assessed as being immaterially impacted by average annual losses due to physical climate risk.

Overall, the CEFC portfolio continues to demonstrate relatively low risk across different timeframes and under low, medium-high and high climate scenarios. However, there is evidence of increasing risk exposure in certain areas. Most high-value assets such as electricity transmission infrastructure and renewable energy projects (a significant portion of CEFC’s portfolio) remain relatively resilient with low climate-related risk due to nature of the assets and climate-adaptation risk measures already being factored into newer builds. There are no current material impacts on our portfolio. In the more vulnerable sectors such as agriculture, we are developing approaches on adaptation, resilience and mitigation strategies while we secure the underlying climate-related opportunities.

Figure 49: Physical risk by risk type over the short, medium and long term



Note: Temperature extremes and water stress are the most prominent risks. While the overall risk rating is low, these risks can impact asset performance, operational continuity and potentially increase costs due to the requirement to fund adaptation or mitigation measures.

Figure 50: Portfolio physical risk rating

Timeframes	2030	2040	2050
SSP1-2.6 IPCC – Low (2°C)	Low	Low	Low
SSP3-7.0 IPCC – Medium-high (4°C)	Low	Low	Low

Note: Risk rating assessed based on the percentage of MAAL against the total on risk commitment:

- Low risk 0–5%
- Medium risk 6–15%
- High >15%

Transition risk scenario analysis assessment

Scope

The transition risk assessment evaluated the impacts of policy-related risks from emissions in conjunction with an assessment of potential technology opportunities. This covered 136 entities (\$16.51 billion on-risk commitments) or 89 per cent of the CEFC portfolio across all sectors of the CEFC portfolio.

The assessment was conducted:

- directly for the subset of entities with publicly available data; and
- via a proxy analysis using directly comparable entities in aligned sub-sectors with similar characteristics.

Results were benchmarked against:

- a group of comparable peers in a broader basket analysis; and
- a replica analysis which simulated climate-related impacts.

Key input parameters included sector classification, financial instrument, entity business model, emissions profiles, CEFC commitment, operating markets and underlying technologies. The primary output of the analysis is the estimation of Climate Value-at Risk (CVaR) across the selected debt and equity investments.

Commonwealth Climate Disclosure continued

Figure 51: On-risk commitments covered – breakdown

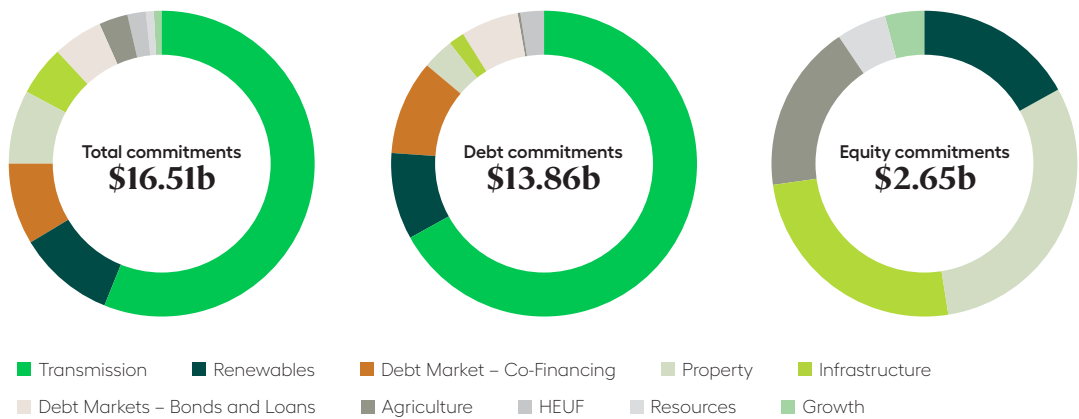
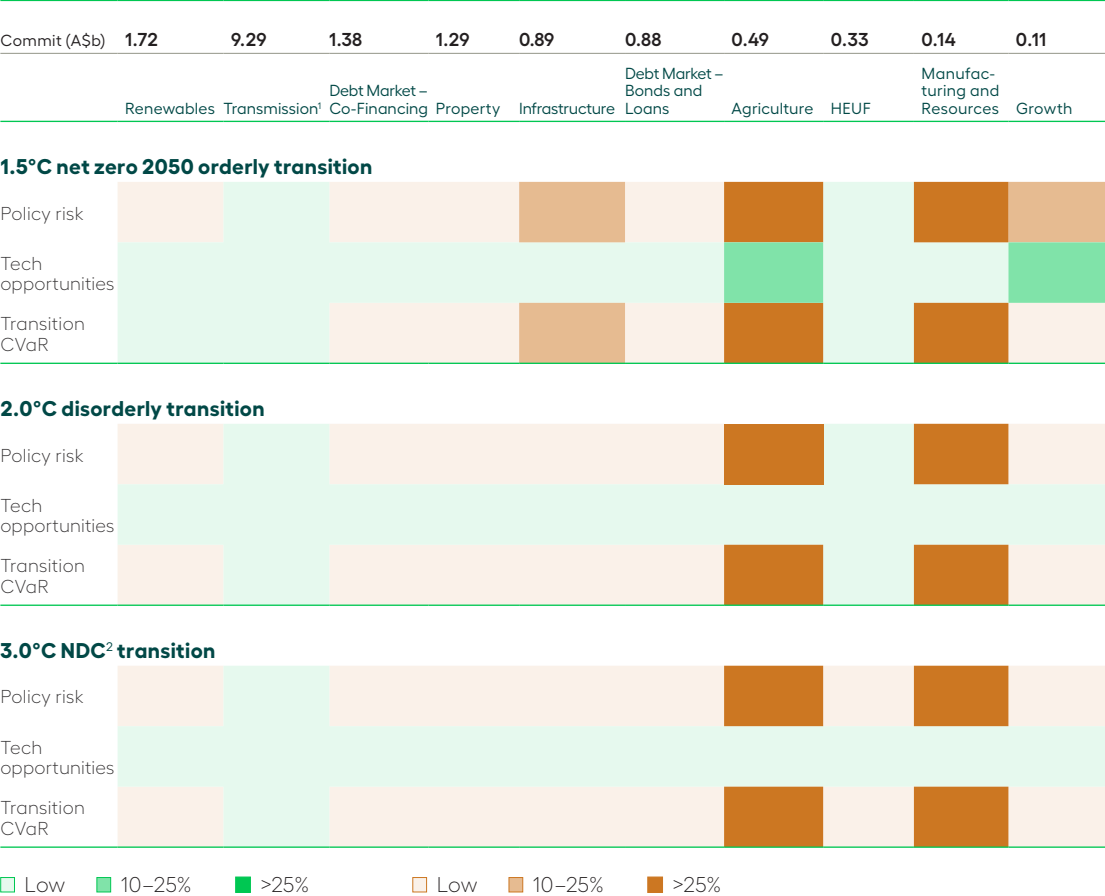
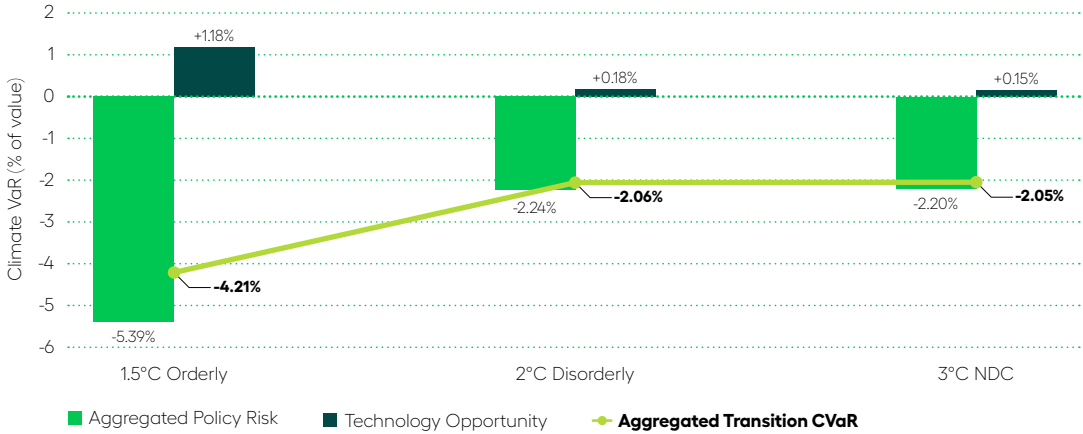


Figure 52: CEFC portfolio transition risk exposure – heat map



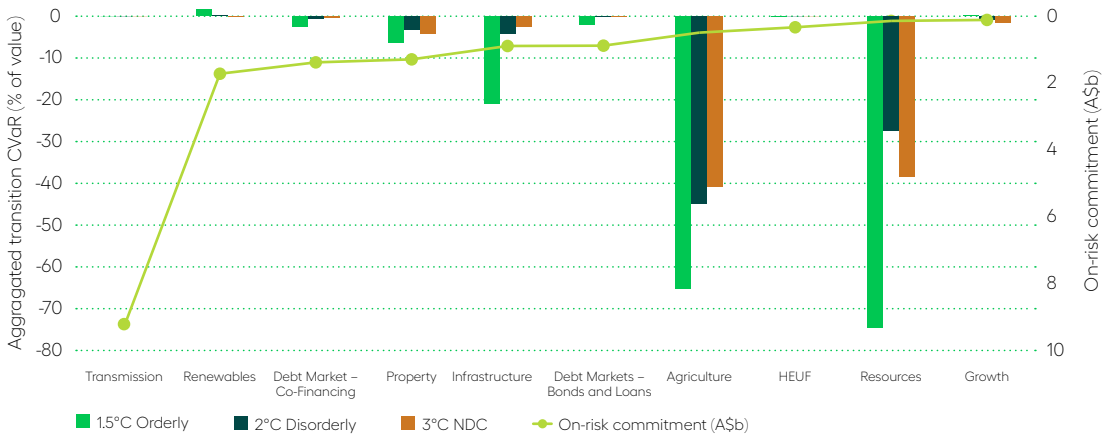
1. Transition-related risk for transmission is negligible, across all scenarios.
2. NDC – Nationally determined contribution, are national climate action plans by each country under the Paris Agreement.

Figure 53: CEFC portfolio transition risk and opportunities by scenario



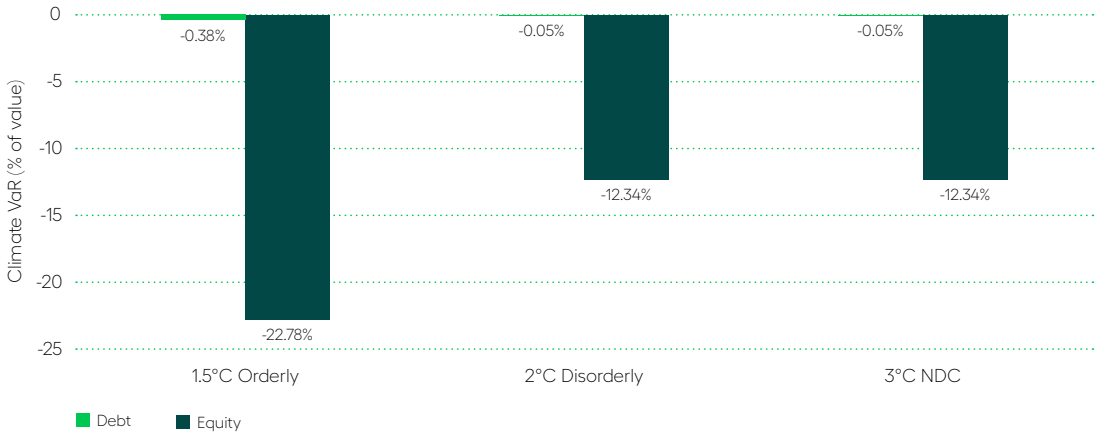
CEFC portfolio exposure to transition risk is relatively low, as a result of our net zero transition investment focus, the diversity of our investments and the extent of our commitments in renewables and transmission (see Figure 54). Our investments in agriculture and resources are exposed to the highest level of transition risk, particularly under a 1.5°C net zero 2050, orderly transition scenario. Policy related impacts are more elevated due to Scope 1 and Scope 3 related impacts. For example, in agriculture the need to transition away from diesel for transport, farming equipment and static electricity supply as well as supply chain impacts for primary inputs such as fertiliser and other carbon intense commodities result in higher levels of climate value-at-risk. The impacts under this scenario are moderated by significant technology opportunities in an orderly transition. Transition risk moderates in higher temperature scenarios for agriculture and resources. The CEFC is helping to facilitate mitigation of these impacts through investment in a range of climate-related solutions, including efficient farm equipment and emission reduction programs.

Figure 54: CEFC portfolio transition risk across sectors by scenario



Commonwealth Climate Disclosure continued

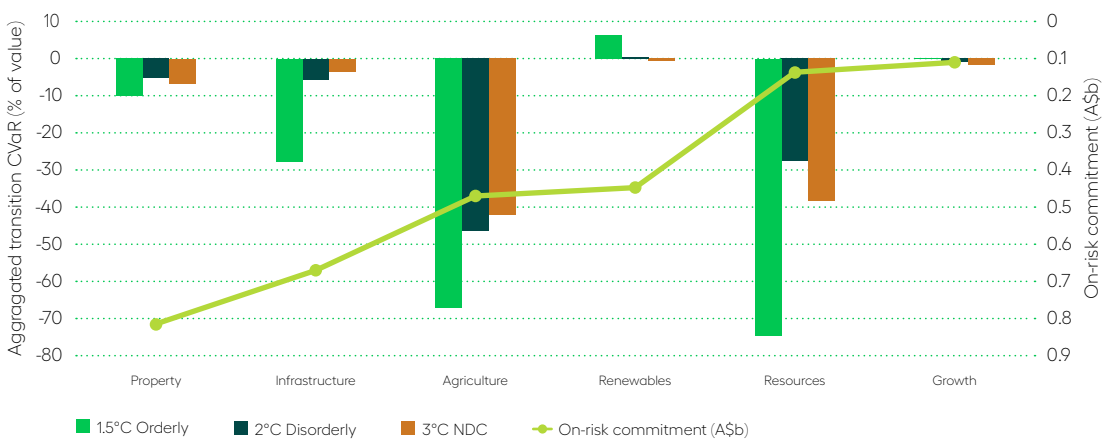
Figure 55: CEFC transition risk from debt and equity by scenario



CEFC transition risk is predictably highest under the 1.5°C net zero 2050 orderly scenario, and moderate under higher temperature scenarios, if current policy settings (2°C disorderly) and Paris Agreement Nationally Determined Contribution (3°C NDC) are maintained. Under current base temperature conditions (circa 1.3–1.4°C) the CEFC is maintaining its public policy delivery and effectiveness and realising the opportunities from the transition.

There is significant variance across sectors/investments, particularly between debt and equity investments. The CEFC’s debt portfolio has very low transition CVaR, due to the high proportion of transmission/renewables, and banks/financial institutions being a primary counterparty. Equity is subject to higher transition CVaR due to the direct nature of the exposures, and sector coverage in asset classes with higher exposures, including; natural capital, infrastructure and resources.

Figure 56: CEFC transition risk in equity, across sectors by scenario



Concentration of impacts

We have identified areas where climate-related risks and opportunities are concentrated, which are primarily across our investment activities.

Current risk levels are low, given the diverse nature of our portfolio and our investments. Agriculture assets are subject to current climatic conditions and impacts but at a portfolio level, are currently relatively resilient based on current asset reporting and our scenario analysis. We have assessed current transition readiness and pressure (see [Scenario Analysis Basis of Preparation for methodology](#)) across all CEFC sectors. Although agriculture and resources are subject to higher exposures, they are currently positioned to respond to the changing climate in the short term, with elevation of risk in the medium to long term. Anticipated transition risks are highest and concentrated in our equity investments due to direct financial exposure and sector coverage, including natural capital/agriculture and resource investments.

Sectoral concentration

Transition risk is highest in hard-to-abate sectors such as agriculture and resources. There is a limited impact on energy infrastructure and renewables investments.

Geographic concentration

Assets located in regional or climate-exposed areas may face greater exposure to extreme weather and physical climate risks. We incorporate geographical climate risk analysis into due diligence and asset class risk reviews.

These areas of concentration are periodically reviewed through our internal climate risk processes.

Risk management

Climate-related risks and opportunities are identified, monitored and reported in accordance with the CEFC RMF and a suite of other governance documents. This ensures they are managed with the same rigour as other enterprise risks and are embedded into strategic and operational decision-making.

Our specific climate risk management process is outlined in our [Climate-related risk and opportunity procedure](#) (available on our website). This procedure complements our overarching risk management process by outlining how climate risk is identified, assessed and addressed under the broader governance and risk management regime of the CEFC. Refer to the [CEFC website](#).

In section 2 *Governance* of the report, we provide an overview of how CEFC governs and manages risks in accordance with our RMF, including climate-related risks and opportunities.

Scope

Our climate-related risk and opportunities practice is structured around two key focus areas:

Investment climate risk

The CEFC considers both physical and transition climate-related risks and opportunities for all investments across our portfolio. The nature of the CEFC's investments facilitates decarbonisation and hence, mitigation, as well as capitalising on transition opportunities. Transition risk is relatively low, across our portfolio but more material within our equity investments. Physical risk is as material a consideration for clean energy investments as any other investment.

Investment risk approach

Transition climate risk

Identification and assessment of transition risks and opportunities are integrated into the CEFC investment screening and ongoing management processes (as relevant):

- Investments in the portfolio have been assessed for transition risk and opportunities under the NGFS Scenarios (Phase V). Any exclusions are identified and explained in the Scenario Analysis Basis of Preparation
- Annual assessment and reporting on financed emissions based on the Partnership for Carbon Accounting Financials (PCAF) methodology
- Assessment and categorisation of each investment under the CEFC net zero alignment framework.

Physical climate risk

Investment related physical risk is assessed using the Intergovernmental Panel on Climate Change Shared Socioeconomic Pathways (SSPs) across low, medium-high and high scenarios. We quantified the 'value at risk' via MAAL and other related metrics.

Although the CEFC does not typically have operational control over the physical assets in our investment portfolio, we conduct due diligence and maintain ongoing dialogue with counterparties to encourage appropriate risk management and mitigation strategies.

Commonwealth Climate Disclosure continued

Corporate risk approach

Our approach to assessing corporate-related climate risk reflects our approach to investment-related risk:

Transition climate risk

The CEFC manages and reports corporate emissions against the APS Net Zero Emissions 2030 target.¹

Physical climate risk

The CEFC has a Business Continuity and Recovery Framework in place, that guides planning a response to material physical and service disruptions – including anticipation and actions in response to extreme weather hazards.

Managing uncertainty

Uncertainty in climate projections has been mitigated by using multiple reputable sources as well as leveraging our existing data management systems. We also aim to improve our internal data and processes for Year 3 of the CCD requirements.

Uncertainties are managed by assessing risks across three distinct climate scenarios and over short-, medium- and long-term horizons to compare projected changes and assess the range of plausible outcomes.

Metrics and targets

Corporate performance and outlook

CEFC climate and decarbonisation performance is an integral element of our corporate performance. The CEFC 2026–27 Corporate Plan includes direct abatement objectives as well as broader decarbonisation targets. It also sets targets for capital allocation on climate-related investment opportunities in line with our Investment Mandate.

The key strategic activities are to:

- deploy capital across our investment portfolios and funds to drive emissions reduction; and
- harness CEFC’s role as a leader to drive emissions reductions beyond our investments.

Figure 57: 2026–27 Corporate Plan decarbonisation and climate-related objectives

Total capital committed, excluding Rewiring the Nation (to climate-related opportunities)	\$1.9b–\$2.4b
Mt estimated emissions reduction per annum	0.25 Mt–0.40 Mt
TWh of expected annual output of new capacity financed	3.0 TWh–4.57 TWh
Rewiring the Nation (RTN) Fund	
a. Demonstrating progress on the RTN’s pipeline of transactions	a. 3–4 Projects b. Board evaluation
b. Proactive risk management of existing transactions	
Industry leadership and innovation, particularly in hard-to-abate sectors. Demonstration could include transactions that catalyse and drive landmark outcomes, including participating in smaller, high impact investments and longer-term performance of the Innovation Fund. In addition, leadership should be illustrated by Vision 35 focus areas of:	
a. Delivering a whole-of-market transport approach to support maturity across electrification and low carbon liquid fuels (LCLF)	Board Evaluation
b. Supporting uptake and coordination of CER/DER across Australia’s electricity systems.	

1. See Metrics and targets, Corporate performance and outlook for details on how we assess for transition-related risks relating to our operating model.

Performance

The CEFC first achieved net zero (Scope 1 and 2 emissions) in 2023–24, with our approach aligning with the APS Net Zero in Government Operations target. We maintained this status in 2025–26 and will continue to report annually against this target. This was met via a combination of GreenPower contracts and procurement, and voluntary retirement of Large-scale Generation Certificates (LGCs) for the balance of our electricity consumption.¹

Figure 58: CEFC Corporate Scope 1 and 2 emissions

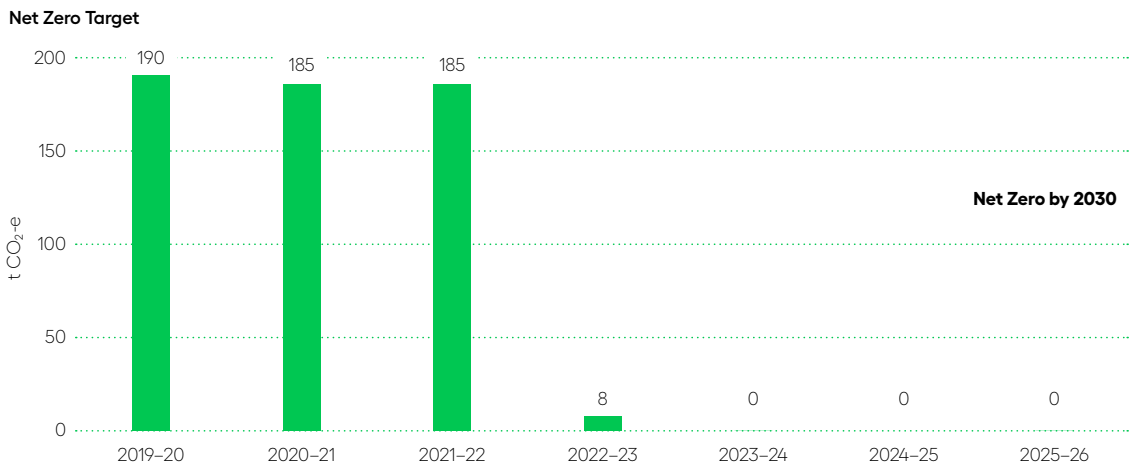


Figure 59: Progress against our net zero commitment

Target	Status in 2025–26
Net zero Scope 1 and 2 emissions by 2030	Achieved net zero for three consecutive years with commitment to maintain.
Scope 3: Working across the value chain to identify opportunities	<i>In progress. With residual Scope 3 emissions for 2025–26 (exc. Cat 15) offset with Australian Carbon Credit Units (ACCUs). Refer to: Appendix H</i> Refer below: Corporate Scope 3 emissions.

Scope 3 emissions actions and plan

Refer to *Appendix I* for details about CEFC corporate Scope 3 emissions.

A key initiative for facilitating a reduction in CEFC’s Scope 3 emissions is the integration of circular economy principles into the design of our Sydney office.

The CEFC adopted the industry-leading ‘Forever Fitout’ model in the delivery of our new Sydney office. This demonstrates a new approach to commercial office design that prioritises modular, reusable components to minimise embodied carbon and waste, and to avoid the repeated strip-out and rebuild cycle typical of traditional office fitouts. This innovative approach reflects CEFC’s commitment to accelerating sustainable practices in the built environment and resulted in the Sydney office becoming the first project in Australia to achieve a *5 Star Green Star Fitouts* certification from the Green Building Council of Australia.

1. See the *APS Net Zero Target Factsheet* for details including scope, emission sources and timeframes. We have not deviated from the approach in the factsheet.

Commonwealth Climate Disclosure continued

A summary of our emission reduction activities and plan is summarised in the table below:

Figure 60: Progress against our net zero commitment

Our actions in 2025-26	Our focus for 2026-27	Our priorities to 2030
- ‘Forever Fitout’ approach for the new Sydney office, reducing emissions and waste through a leasing model. Supporting extended lifecycle of office components and fittings - CEFC Travel Policy – Updated to support lower emissions travel, including greater use of virtual engagement to reduce flight activity. Reinforces default position of economy travel. Public transport options and where required the use of electric vehicle rideshare/ taxi options are encouraged - CEFC Procure to Pay Policy – Updated to embed sustainability and emissions considerations in procurement (e.g. IT equipment, increase use of recycled materials), including supplier credentials and lower-impact goods and services - Implementation planning for energy, waste, circular economy and travel measures - Procurement of ACCU to offset residual corporate Scope 3 footprint (excluding Cat 15 financed emissions).	Evaluation of Scope 3 measures for corporate emissions. - Follow policy updates implement practice and develop measurable targets - Consider sustainability requirements related to our office buildings and tenancies - Continue to consider outcomes related to circular economy, energy and waste - Plan to integrate sustainability considerations with IT procurement - Achievement of our corporate objectives including: - emission reductions targets - renewable energy capacity targets - broader climate-related opportunities.	Develop objectives and/or targets that may include: - Number of circular economy initiatives (#) - Tonnes of waste (t) - Energy Usage (kWh). Investment activities: - Financed emissions represent the largest component of Scope 3 emissions for the CEFC. CEFC’s strategic priorities and corporate objectives guide our investment activities up to 2030. CEFC capital is deployed to support achievement of the Australian Government’s net zero targets, with resultant financed emissions - CEFC will track its portfolio net zero alignment via a net zero alignment framework, categorising the relative contributions associated with our investments.¹

For further details on our Scope 3 emissions approach and process please see – CEFC Basis of preparation – financed and corporate emissions (available on our website).

Figure 61: CEFC actions to reduce Scope 3 emissions

				
EV novated leases for staff	Sustainable procurement policy	Travel	Building energy, water, waste management	Forever fitout
The CEFC does not have a corporate vehicle fleet. Novated leases are available to employees for the purchase of 100 per cent electric vehicles.	Sustainable procurement incorporates sustainability considerations into procurement decision-making alongside existing value-for-money requirements.	Economy is the specified class of travel for employees, with the exception of international flights to destinations other than New Zealand. Video conferencing facilities are available in all offices to reduce the number of flights.	These ratings are available in the EPBC Report which is available on page 172.	The CEFC’s Sydney office adopted a ‘forever fitout’, achieving the first <i>5 Star Green Star Fitouts</i> certification under the GBCA’s new rating tool.

1. See CCD Strategy section for details on CEFC Net Zero Framework.

Assessment and reporting methodology-financed emissions

The CEFC is a signatory to The Partnership for Carbon Accounting Financials (PCAF) and reports financed emissions in line with the PCAF. Financed emissions are associated with the investments made by a financial institution. The calculation of financed emissions varies for different asset classes and investments, but generally follows the same approach:

$$\text{Financed emissions} = \text{Annual GHG emissions investment} \times \frac{\text{outstanding amount of finance at a specified date}^2}{\text{total debt + equity available to the investment}}$$

This calculation is used to allocate a proportion of the emissions of the project, asset or entity. Quantifying financed emissions provides a globally comparable metric across the finance sector.

CEFC reports financed emissions with a one-year lag to provide sufficient time to collate counterparty reported emission data and reduce reliance on estimates. The 2025–26 reporting period is based on counterparty emissions data that is primarily from the 2024–25 financial year³.

Financed emissions⁴ for 2024–25 were an estimated 143,801 t CO₂-e, representing more than 99.8 per cent of total emissions within the CEFC boundary.

Figure 62: CEFC financed emissions 2024–25 (2025–26 reporting period) and comparative CEFC corporate emissions

Emissions		2022–23	2023–24	2024–25
		t CO ₂ -e/yr		
Corporate emissions ^{5,6}	Scope 1 ⁵	0	0 ⁹	0
	Scope 2 ⁷	8 (0.1%)	0 (0%)	0 (0%)
	Scope 3 (excluding category 15)	229 (0.2%)	343 (0.3%)	318 (0.2%)
Financed emissions (Investment portfolio)	Scope 3 Category 15 (Scope 1 & 2)	145,234 (99.8%) ⁸	129,930 (99.7%) ⁸	143,801 (99.8%) ⁹
Total		145,471	130,273	144,119

1. In 2025–26, CEFC financed emissions reporting (covering the 2024–25 financial year) has been prepared in line with the Partnership for Carbon Accounting Financials Global GHG Accounting and Reporting Standard – Part A, Version 3, released December 2025.

2. The ‘outstanding amount of finance’ includes CEFC’s total commitment minus repayments. In some investments, this also includes undrawn loans. For consistency across the portfolio, we have aggregated drawn and undrawn loans into our ‘Total commitment’ figure. In cases, where a CEFC commitment has been made, and the loan has not been drawn, and there has been no associated greenhouse gas emitted activity (e.g. no construction has commenced, no loans have been deployed), these investments are deemed zero emissions. Further information is available in the Financed Emissions Basis of Preparation, available on the CEFC website.

3. Timeframes of GHG emissions data and financial data from counterparties vary as a result of differing reporting periods and availability of data. The majority of counterparties do not have actual data available in the reporting year.

4. In accordance with the future CCD Year 3 Requirements, CEFC has utilised all reasonable and supportable information available without undue cost or effort to calculate CEFC financed emissions for 2024–2025.

5. For FY26 Corporate emissions data, please refer to *Appendix I*.

6. Corporate emissions calculated using the Emissions Reporting Framework 2024–25, which enables tracking progress towards the APS Net Zero 2030 Target.

7. Market-based Scope 2 emissions.

8. 2022–23 and 2023–24 Financed emissions calculated in line with Partnership for Carbon Accounting Financials Global GHG Accounting and Reporting Standard – Part A, Version 2.

9. 2024–25 Financed emissions are calculated in line with Partnership for Carbon Accounting Financials Global GHG Accounting and Reporting Standard – Part A, Version 3, December 2025. Refer to *Appendix I*.

Commonwealth Climate Disclosure continued

Financed emissions breakdown

Figure 63: Financed emissions summary

Financed emissions	2022-23	2023-24	2024-25
	t CO ₂ -e/year		
Scope 1	87,098	77,348	95,044
Scope 2 ¹	58,136	52,582	48,757
Scope 3	Not disclosed	809,906	880,506
Total (Scope 1 + Scope 2)	145,234	129,930	143,801
Weighted data quality score (Scope 1 + 2)	3.04 out of 5	2.29 out of 5	2.53 out of 5
Weighted data quality score (Scope 3) ²	N/A	2.9 out of 5	3.1 out of 5
% by commitment value	87%	95%	95%
% by commitments by number ³	86%	91%	91%
Emission intensity (t CO ₂ -e/\$m)	19.1	14.7	12.1

1. Due to limited availability of Scope 3 emissions disclosures, PCAF database estimations have been used to fill data gaps reflected in the lower weighted data quality score for Scope 3 emissions.
2. In line with the PCAF Standard, certain investments were excluded for the following reasons: a) no relevant PCAF Methodology; b) lack of data; or c) no deployment prior to 30 June 2024. Further information on data (including data quality score) and methodology is provided in the Financed Emissions Basis of Preparation, available on the CEFC website).
3. The alignment to PCAF Standard Version 3 resulted in changes to asset class categorisation and select calculation methods. This includes the CEFC updating its approach to calculating the financed emissions of its aggregation loan products. This is outlined in the Financed Emissions Basis of Preparation, available on the CEFC website.
4. Use of fair or market value has been used in calculating attribution for certain CEFC equity investments. Whilst the approach is not included within PCAF, it represents the most accurate representation of the CEFC's interest in the relevant assets.

Financing the transition

As the CEFC portfolio evolves, we expect financed emissions will increase and/or fluctuate in future years as:

- the size and scope of our investment portfolio increases;
- CEFC invests in the hard-to-abate sectors needed to support the transition to net zero (e.g. transport);
- CEFC invests in emissions-intensive sectors that are indirectly supporting the net zero transition (e.g. agriculture).

In addition, we also expect to enhance and expand the scope of our reporting and data collection and that the maturity of reporting from our counterparties evolve. As the quality of data collected improves and migrates from reliance on estimates to actual data reported throughout supply chains, we may see changes in the emissions reported for individual investments.

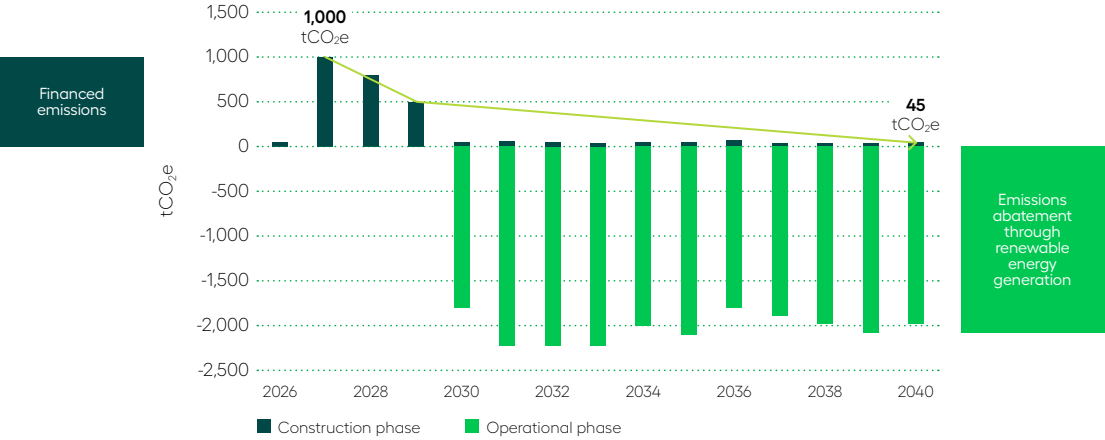
Major emission sources present significant opportunities

The CEFC's largest emissions sources present significant opportunities to decarbonise. The CEFC will continue to identify opportunities to invest in and fund decarbonisation in line with its mandate to support decarbonisation across the Australian economy.

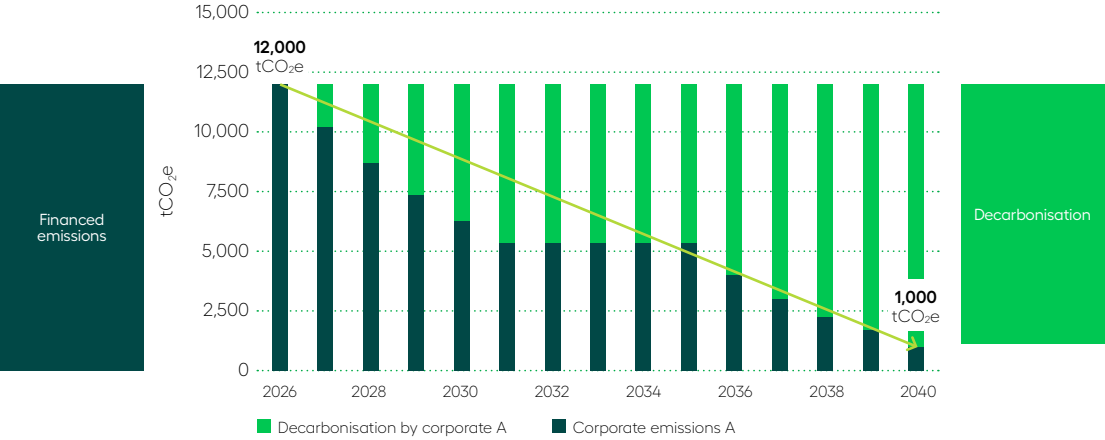
The comparison of conceptual decarbonisation profiles in Figure 64 illustrates the differentiated impacts of investments. In profile C (below) this investment would contribute more significantly to the CEFC financed emissions portfolio yet would result in a significantly greater decarbonisation outcome over time and also generate emission removals through sequestration within the supply chain.

Figure 64: Finance decarbonisation profiles A, B & C (illustrative)

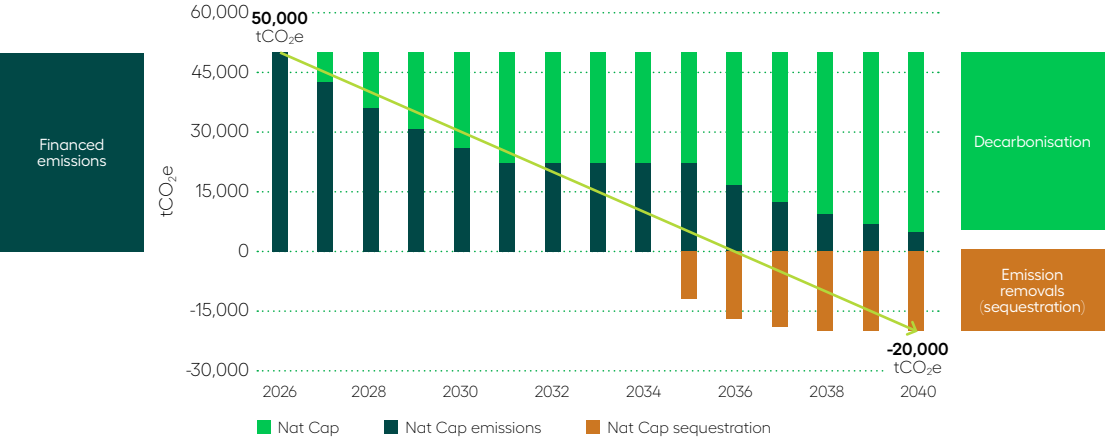
Project Finance: Renewable energy assets



Corporate finance



Corporate finance + sequestration project on site



Commonwealth Climate Disclosure continued

Financed emissions and abatement

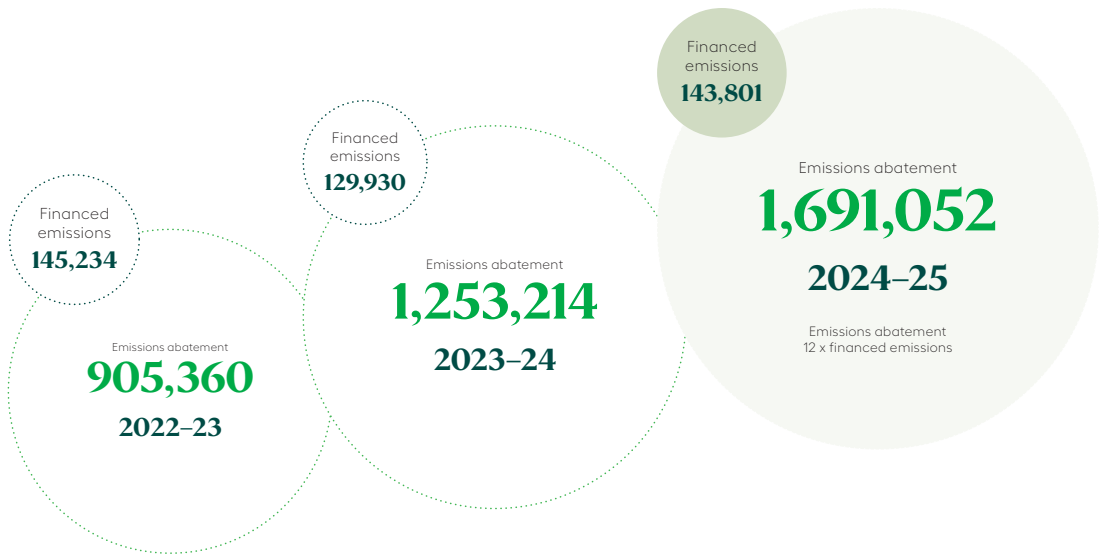
Emissions abatement (removed and avoided emissions) expected from operational projects in which the CEFC was invested at 30 June 2025 was estimated at approximately 6.4 Mt CO₂-e¹ in the 2024-25 year.² On a comparable attribution basis (i.e. proportion of finance provided by the CEFC), emissions abatement is approximately 1,691 kt CO₂-e. This is 12 times CEFC’s financed emissions (i.e. 12 tonnes of abatement for each tonne of financed emissions).

Over the last three years, the emissions abatement attributed to CEFC investments has increased at a faster rate than comparable financed emissions – from 6x in 2022-23 to 12x in 2024-25.

Figure 65: Financed emissions and emissions removals

Financed emissions vs abatement	2022-23	2023-24	2024-25
CEFC investment portfolio	(t CO ₂ -e/yr)		
Financed emissions	145,234	129,930	143,801
Abatement – avoided emissions and emission removals ^{3,4,5}	905,360	1,253,214	1,691,052
Financed emissions: abatement ratio	6:1	10:1	12:1

Figure 66: Financed emissions and emissions removals (t CO₂-e)⁶



1. Annual and lifetime emissions abatement for each investment is estimated at origination according to CEFC abatement estimation approach. The CEFC does not apply the PCAF supplemental guidance to Part A of the PCAF Standard on financed avoided emissions & forward-looking metrics.

2. CEFC emissions abatement estimates take into account the phase of a project. As such, it excludes investment in contracting, design, planning, construction or pre-commissioning phases during the 2024-25 period.

3. This figure is calculated by multiplying the estimated abatement of the total project or investment in the 2024-25 period by the CEFC’s financed emissions attribution percentage for that investment.

4. Where an investment was excluded from the financed emissions calculation owing to lack of a relevant PCAF methodology or a data gap, it has also been excluded from the abatement estimates to allow a more meaningful comparison.

5. Emissions abatement estimates take into account the phase of the project. As a result, specific investments that are in pre-construction, construction, or commissioning phase, and any investments that are in pre-deployment phase have zero emissions abatement.

6. Financed emissions: abatement ratio reflects the increasing ratio between financed emissions, and the comparative estimate of abatement over the same period. For example, it is estimated that abatement was 12 times larger than financed emissions for the 2024-25 portfolio, taking into account CEFCs contribution to finance on each investment (using attribution % according to the PCAF Standard Part A Financed Emissions 3rd Edition 2025).

Financed emissions by investment area

The CEFC assesses financed emissions across three broad areas of investment.

Cleaner, greener energy

The *Cleaner, greener energy* area represented 47.6 per cent of investment commitments by value and 14 per cent of our financed emissions (Scope 1 and 2) in 2024–25. This reflects the relatively low emissions associated with the construction of renewable energy and large-scale storage assets.

The financed emissions associated with investment in solar, wind farms and large-scale battery energy storage systems have two distinct phases: construction and operations with different GHG emission profiles.

As our Rewiring the Nation Fund investments progress, emissions will also increase. Transmission lines developed under this investment program will have significant emissions in the construction and operational phases. However, such investment is critical to facilitate the requisite buildout of renewable energy to support Australia's transition to a low carbon economy. We expect the operational emissions for these investments to reduce over time as the proportion of renewable energy in the grid increases, and the emissions intensity of electricity consumption (and line losses) declines.

Energy efficiency and decarbonisation

Energy efficiency and decarbonisation represented 48.9 per cent of investment commitments by value and 82 per cent of financed emissions in 2024–25. This is the area where we see the greatest focus on leveraging our investments to decarbonise assets and sectors.

These include the industrial, infrastructure, property and natural capital sectors. It includes investments in some of the harder-to-abate sub-sectors – agriculture, transport and property as well as loan programs to encourage household energy upgrades (electrification) and the take up of electric vehicles. These investments are likely to result in significant, wide-reaching and long-term emission reductions throughout the economy.

Technology development

Technology development represents a smaller component of our financed emissions. However, the longer-term impact of technology climate solutions could be significant.

Most investments in this area are in the startup and/or commercialisation phase. As such, emissions associated with these investments are less material. As investment in this area increases, and the companies' products and services mature from early commercialisation to scale up with tangible use cases and addressable market offerings, financed emissions may increase. However, we also expect emissions abatement to increase due to evolving technology and productivity gains through innovation leading to broader adoption of these climate solutions.

Figure 67: Financed emissions by investment area

Priority investment focus	Financed emissions Scope 1 + 2	Financed emissions Scope 3	Number of investments on-risk at 30 June 2025	CEFC on-risk commitment
	t CO ₂ -e			\$m
Cleaner, greener energy	20,668 (14%)	53,606(6%)	40	\$5,650 (47.6%)
Energy efficiency and decarbonisation	117,557 (82%)	764,469 (87%)	102	\$5,810 (48.9%)
Technology development	5,576 (4%)	62,432 (7%)	41	\$417 (3.5%)
Total	143,801	880,506	183	\$11,877

Figure 68: Financed emissions by DCCEE Net Zero Plan sector

Priority investment focus	Financed emissions Scope 1 + 2	Financed emissions Scope 3	Number of investments on-risk at 30 June 2025	CEFC on-risk commitment
	t CO ₂ -e			\$m
Agriculture and land	29,073 (20%)	13,816 (2%)	15	\$1,398 (12%)
Built environment	12,602 (9%)	135,815 (15%)	47	\$2,578 (22%)
Energy and electricity	49,543 (34%)	63,284 (7%)	68	\$6,439 (54%)
Industry	44,448 (31%)	635,582 (72%)	48	\$1,295 (11%)
Resources	8,135 (6%)	32,008 (4%)	5	\$168 (1%)
Total	143,801	880,506	183	\$11,877

Note: Totals may differ from sum of line items due to rounding.

ESG Report

ESG Report

CEFC's approach to ESG is mandate-led and integrated across our investment activities. We consider environmental, social and governance topics to manage material risks, support investment delivery and performance, and identify opportunities to generate positive environmental and social outcomes as we facilitate Australia's energy transition.

ESG policy development

CEFC's ESG policy includes a set of material ESG factors, including ESG-related opportunities, targeting co-benefits via our investments in decarbonisation. In 2025-26 the CEFC undertook a materiality assessment to support the development of an updated ESG policy, which will be published and implemented in 2026-27.

 **For more information CEFC's ESG policy is available on our website.**

Investment commitments

We identify activities where we can positively target opportunities relating to our ESG material factors in collaboration with our counterparties. The CEFC considers potential opportunities for each new investment to support performance across environmental and social factors. This includes identifying opportunities to drive broader ESG impact beyond the immediate transaction, informed by sector-level insights. ESG opportunities are classified as either 'firm' or 'aspirational'.

- **Firm commitment:** Positive ESG opportunities, that are included as obligations/undertakings in the transaction documentation or through public statements, or both, that the counterparty is required to achieve in full and by the specified date (if applicable).
- **Aspirational commitment:** Positive ESG opportunities that are considered and agreed as part of the transaction rationale, and which are considered as a stretch goal or ambition.

In 2025-26 we identified 53 opportunities, relating to 19 new investment commitments and 1 follow-on investment, with a mix of firm and aspirational targets (see Figure 69).

Risk management

The CEFC considers material ESG risks for our investments. ESG risks are assessed against relevant laws, policies, standards and public registers. The CEFC undertakes reputational risk due diligence screening for proposed investments and relevant counterparties. Material ESG risk and opportunity factors relevant to our activities are listed in our ESG Policy.

The CEFC made 45 new and follow-on investment commitments during the 2025-26 year. These commitments were assessed for ESG risk with ongoing monitoring in place.

Risk assessment

The majority of the ESG risks associated with our 2025-26 investment commitments were assessed as low. As with prior years, supply chain related ESG considerations remained a recurring theme across the portfolio, particularly in the renewable energy and technology sectors where complex global supply chains may present labour-related risks, such as modern slavery. The following areas were identified as having greater potential for material risks and warranting increased monitoring and reporting.

Modern slavery

In 2025–26, 21 new investments were identified with an increased residual risk of modern slavery. CEFC considers several risk categories to determine risk ratings, including industry risks; geographic risks; business models and contracting arrangements; supply chain risks; and counterparty history. Additional engagement, due diligence, contractual provisions and ongoing monitoring were implemented for these investments on a case-by-case basis.

The CEFC Modern Slavery Statement details our approach to identifying, assessing and managing modern slavery risks in our investment commitments, supply chains and operations.

The CEFC provided modern slavery awareness training to staff during the year to continue building capacity and awareness within our organisation.

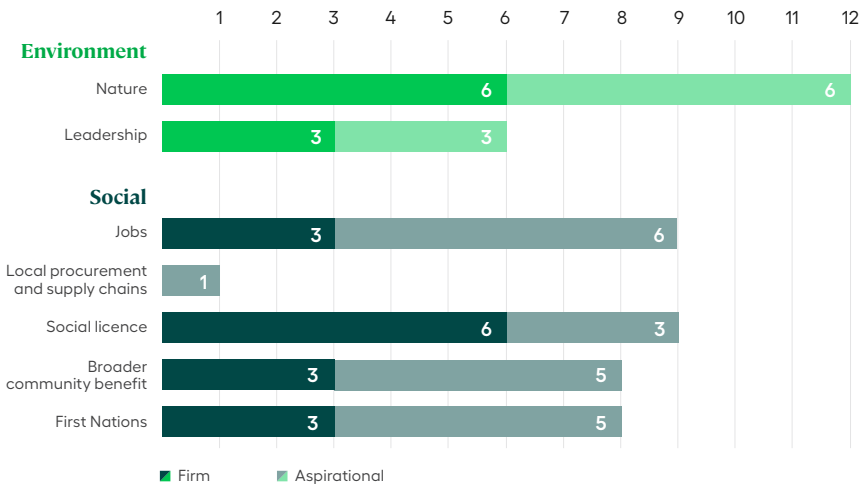
First Nations

The CEFC is a responsible investor, with a deep commitment to reconciliation with Australia’s First Nations peoples. We recognise the potential benefits our investments can bring to Aboriginal and Torres Strait Islander peoples. We also recognise the importance of preventing or mitigating any potential negative impacts.

In 2025–26, four new investments were identified with an increased residual risk to First Nations. CEFC identifies and acknowledges the inherent risks in projects with a significant geographic footprint across the Indigenous estate.

CEFC has had a greater focus on and delivery of First Nations-led investments during the financial year. As a result, First Nations-related ESG opportunities have increased through both our First Nations-led investments and an increase in the number of firm commitments from our other investment commitments for positive economic outcomes or broader benefits for First Nations.

Figure 69: Investment commitments in 2025–26: ESG opportunities



Note: Climate risk disclosure is not assigned a quantitative rating during the ESG risk screening process. Instead, counterparties are evaluated for evidence of external or public climate disclosures.

ESG Report continued

Social licence

The CEFC recognises the critical role of effective community engagement and establishing a social licence to operate in delivering successful investment outcomes. Social licence has emerged as a key factor in ensuring that clean energy projects are both technically and financially viable as well as responsive to broader stakeholder interests and concerns.

The CEFC has developed an internal framework aligned with the nature of our role to enhance due diligence relating to social licence risks. In 2025-26, this was piloted across a number of relevant investments, supporting our assessment of community impacts, engagement approaches and reputational risk.

In parallel, CEFC has continued to build internal capability, including targeted training on social licence risk management for major projects.

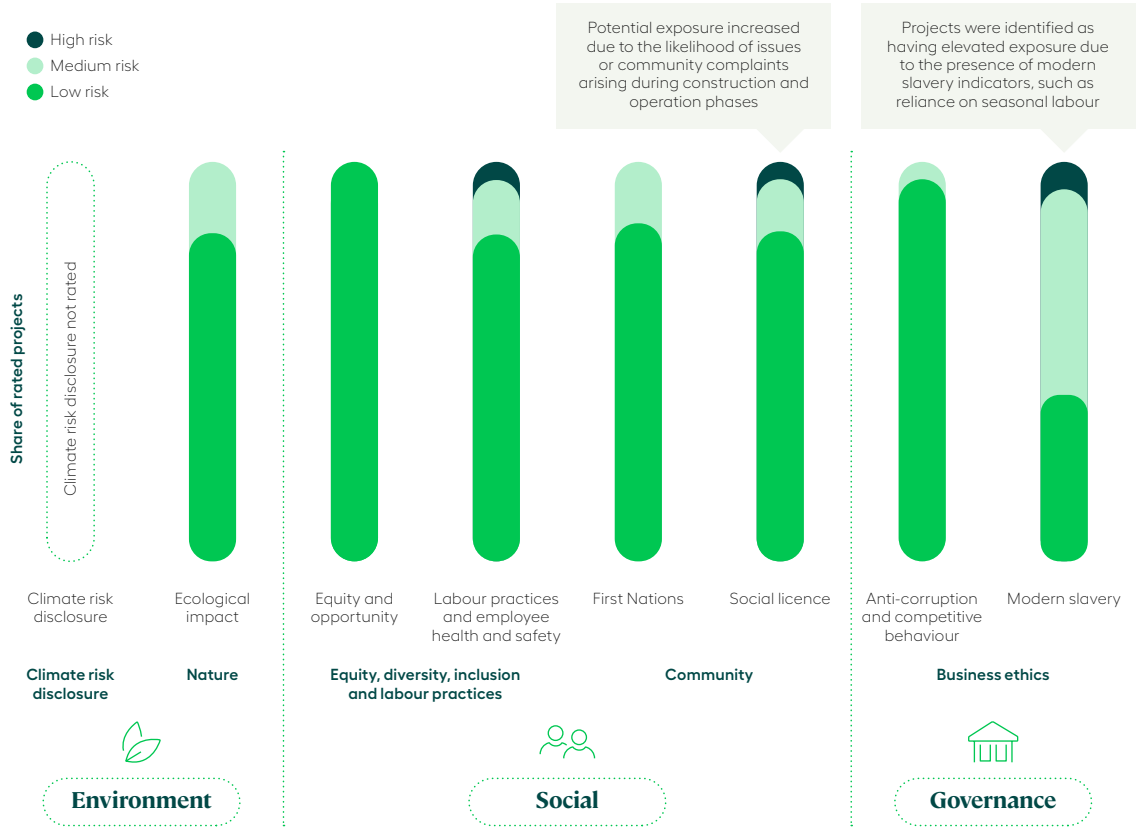
Corporate performance

CEFC corporate activities delivered during the reporting year and aligned with its ESG Policy focus areas also included:

- Labour practices and employee health and safety
- Equality and remuneration
- First Nations
- Diversity and inclusion.

Refer to *Appendix D* and *E*.

Figure 70: ESG risks, 2025-26 commitments



Note: Climate risk disclosure is not assigned a quantitative rating during the ESG risk screening process. Instead, it is evaluated for evidence of external or public climate disclosures.

\$300m

CEFC commitment

National Australia Bank Program

CEFC's \$300 million investment with National Australia Bank (NAB) provides finance for two programs.

In addition the CEFC [Towards Net Zero Pathfinder](#) underpins a \$100 million program with NAB to implement practical on-farm emissions reduction initiatives, including improved fertiliser management, reforestation and methane reduction technologies. Tasmanian woolgrower Trent Young used finance through NAB's Agribusiness Emissions Reduction Incentive Program to support a reforestation project at Broad Valley Farm. The finance helped the business better understand and measure its emissions profile, with the environmental benefits flowing through to productivity benefits. The project will plant shelter belts to establish native vegetation to improve soil stability, increase biodiversity, reduce erosion and provide shelter for the sheep.

The first is a \$200 million energy efficient equipment program to support clean energy opportunities for SMEs. For example, Construction firm Hamilton Marino accessed discounted finance to transition its crane fleet from diesel generators to large-scale battery power under the program.

14.3ML

pesticide reduction

Swarm Farm

CEFC's \$7 million investment in [SwarmFarm Robotics](#) supports an Australian agri-tech company develop autonomous farming robots that help farmers reduce emissions. By enabling precision spraying and other targeted farming activities, the technology can reduce herbicide application, lower fuel consumption and minimise soil compaction. The investment also contributes to local manufacturing capability, supporting the growth of Australian innovation and technology development in regional communities.

The SwarmBot fleet has now surpassed 612,000 operational hours across 18.6 million acres of commercial farmland. In doing so, SwarmBots have helped farmers save over 14.3 million litres of pesticide to date, demonstrating the growing environmental and economic impact of the platform at scale.

Responsible investment highlights

The CEFC approach to responsible investment is best demonstrated via our investments. Below we highlight examples of CEFC's commitment to securing wider co-benefits associated with our investment in decarbonisation, reducing emissions, improving environmental outcomes and supporting innovation.

Responsible investment leadership

In May 2026, CEFC was recognised as a 2026 Responsible Investment Leader by the Responsible Investment Association Australasia (RIAA). Responsible Investment Leaders and Responsible Investors are assessed across four pillars covering commitment, ESG integration, stewardship and capital allocation.

Central-West Orana Renewable Energy Zone

The CEFC was deeply saddened and extremely disappointed to learn of the irreparable damage to an Aboriginal heritage site during construction of the Central-West Orana Renewable Energy Zone (CWO REZ).

The project developer, ACERREZ, advised the CEFC as a lender to the CWO REZ project that an Indigenous rock shelter was destroyed during work to build an access track.

The CEFC expects project proponents that it works with to comply with laws, approval conditions and authorisations, including those that relate to the protection and preservation of Aboriginal and Torres Strait Islander heritage. Therefore, the CEFC sought answers from ACERREZ to understand how this event occurred in spite of existing systems and processes, and critically, what needs to occur to prevent further incidents.

As a responsible investor on behalf of Australian taxpayers, the CEFC takes engagement with Australia's First Nations people seriously, and is committed to reconciliation. Our First Nations investment screening approach was developed to better inform our investment decision-making with respect to Aboriginal and Torres Strait Islander peoples.

As a lender, we will learn from this incident and will continue to strive to improve our processes and approach to highlight the importance of First Nations cultural heritage. The protection, preservation and celebration of Aboriginal and Torres Strait Islander heritage is a shared responsibility.

EPBC Report

The CEFC reports its broader environmental performance under the *Environmental Protection and Biodiversity Conservation Act* (EPBC Act) annually. This report covers the period 1 July 2025 to 30 June 2026 inclusive.

ESD Principles

The CEFC manages risks and opportunities across the Environmental Social and Governance (ESG) spectrum, in alignment with the Ecologically Sustainable Development (ESD) Principles included in the EPBC Act.

Figure 71: CEFC alignment with ESD Principles

ESD Principles: EPBC Act

Decision-making processes should effectively integrate both long-term and short-term economic, environmental, social and equitable considerations

If there are threats of serious or irreversible environmental damage, lack of full scientific certainty should not be used as a reason for postponing measures to prevent environmental degradation

The principle of intergenerational equity that the present generation should ensure the health, diversity and productivity of the environment is maintained or enhanced for the benefit of future generations

The conservation of biological diversity and ecological integrity should be a fundamental consideration in decision-making

Improved valuation, pricing and incentive mechanisms should be promoted

CEFC alignment

The purpose of the CEFC is to facilitate increased flows of finance into the clean energy sector and to facilitate the achievement of Australia's greenhouse gas emissions reduction targets.¹

This overarching purpose is strongly aligned with the principles of ESD.

The CEFC makes investment decisions based on long-term emissions abatement outcomes as well as the economic, environmental and social considerations and risks of an investment in the short, medium and long-term.

The CEFC ESG Policy outlines our negative screening process, which precludes investments in a range of industries and activities including non-clean energy technologies, controversial weapons and prohibited technologies as outlined in the CEFC Act. The ESG Policy outlines our approach to environmental due diligence including ecological impacts as a material factor.

Potential investments are screened against material ESG factors, as defined in the CEFC ESG Policy. Risks and opportunities related to these material factors are identified and assessed during the investment screening process.

Material ESG factors include:

- Decarbonisation
- Ecological impact
- Nature and biodiversity
- Social licence
- First Nations
- Business conduct and oversight
- Anti-corruption and competitive behaviour

CEFC investment in projects involved in land clearing and/or development are required to have completed or undertake relevant ecological studies, community consultation, comply with relevant laws, and/or obtain relevant planning approvals.

Potential investments are evaluated against industry standards and relevant practice. Investments are monitored throughout the investment lifecycle, including to encourage innovation, industry practice and enhanced sustainability and/or financial outcomes.

1. Section 3 of the CEFC Act.

Environmental performance

Along with the extensive climate reporting on operations under the CCD policy, the CEFC also reports environmental performance at a corporate and investment activity level with respect to energy efficiency, waste and water.

Figure 72: Environmental performance summary 2025–26

Theme	Steps taken	Measures to review and improve	
Energy efficiency and emission reduction measures	Actions at the investment and corporate activity level to improve energy efficiency and reduce GHG emissions are detailed in the climate disclosure strategy and climate metrics and targets sections earlier in the report.		
	Investment commitments	Corporate office performance	Measures to review and improve
Waste	CEFC has investments in circular economy and waste management solutions that deliver decarbonisation.	NABERS Waste ratings – Sydney: 5.5 stars – Brisbane: 3.5 stars – Melbourne: 5 stars – Perth: No rating	Continue e-waste collections and staff engagement on waste minimisation and water efficiency in offices.
Water	Broader environmental impacts are also assessed in line with CEFC ESG Policy. As the CEFC has a specific mandate for GHG emissions abatement, waste and water consumption is not routinely monitored on an annual basis at the investment or portfolio level.	NABERS Water ratings – Sydney: 5 stars – Brisbane: 4.5 stars – Melbourne: 5 stars – Perth: 4.5 stars	Ensure waste minimisation and water efficiency continues during site visits and offsite events. Consider waste management and water efficiency as a criterion when booking offsite venues and new office locations.

Appendices





Our reporting obligations as a government agency

Appendices

Appendix A	Index of Annual Reporting requirements	176
Appendix B	Portfolio Budget Statements: CEFC indicators	180
Appendix C	Realised investments	181
Appendix D	Equal Employment Opportunity Report	184
Appendix E	Workplace Health and Safety Report	188
Appendix F	Executive remuneration	190
Appendix G	Summary of operating costs and expenses and benchmark	193
Appendix H	Commonwealth Climate Disclosures – Year 2 requirements	196
Appendix I	APS Net Zero Corporate GHG Emissions Reporting; Corporate and Financed Emissions	201
Glossary		206
Index		207

Appendix A – Index of Annual Reporting requirements

Index of Annual Reporting requirements under the PGPA Rule

For the purposes of paragraph 17BE(u) of the PGPA Rule, this table sets out the list of requirements to be included in a corporate Commonwealth entity's annual report for the 2025-26 reporting period, and where the information satisfying these requirements is to be found in this Annual Report.

PGPA Rule reference	Annual Report page	Description	Requirement
17BE		Contents of annual report	Mandatory
17BE(a)	34	Details of the legislation establishing the body	Mandatory
17BE(b)(i)	34, 54	A summary of the objects and functions of the entity as set out in legislation	Mandatory
17BE(b)(ii)	34-35	The purposes of the entity as included in the entity's corporate plan for the reporting period	Mandatory
17BE(c)	55	The names of the persons holding the position of responsible Minister or responsible Ministers during the reporting period, and the titles of those responsible Ministers	Mandatory
17BE(d)	55	Directions given to the entity by the Minister under an Act or instrument during the reporting period	If applicable, mandatory
17BE(e)	55	Any government policy order that applied in relation to the entity during the reporting period under section 22 of the PGPA Act	If applicable, mandatory
17BE(f)	55	Particulars of non-compliance with: – a direction given to the entity by the Minister under an Act or instrument during the reporting period; or – a government policy order that applied in relation to the entity during the reporting period under section 22 of the PGPA Act	If applicable, mandatory
17BE(g)	26-31	Annual performance statements in accordance with paragraph 39(1)(b) of the PGPA Act and section 16F of the rule	Mandatory
17BE(h), 17BE(i)	56	A statement of significant issues reported to the Minister under paragraph 19(1)(e) of the PGPA Act that relates to non-compliance with finance law and action taken to remedy non-compliance	If applicable, mandatory
17BE(j)	35-42	Information on the accountable authority, or each member of the accountable authority, of the entity during the reporting period	Mandatory
17BE(k)	49-50	Outline of the organisational structure of the entity (including any subsidiaries of the entity)	Mandatory
17BE(ka)	187	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: – statistics on full-time employees; – statistics on part-time employees; – statistics on gender; – statistics on staff location	Mandatory
17BE(l)	55	Outline of the location (whether or not in Australia) of major activities or facilities of the entity	Mandatory
17BE(m)	34-35, 40-43, 47-50	Information relating to the main corporate governance practices used by the entity during the reporting period	Mandatory
17BE(n), 17BE(o)	112	For transactions with a related Commonwealth entity or related company where the value of the transaction, or if there is more than one transaction, the aggregate of those transactions, is more than \$10,000 (inclusive of GST): – the decision-making process undertaken by the accountable authority to approve the entity paying for a good or service from, or providing a grant to, the related Commonwealth entity or related company; and – the value of the transaction, or if there is more than one transaction, the number of transactions and the aggregate of value of the transactions	If applicable, mandatory

PGPA Rule reference	Annual Report page	Description	Requirement
17BE(p)	6–9, 49, 56–57	Any significant activities and changes that affected the operation or structure of the entity during the reporting period	If applicable, mandatory
17BE(q)	57	Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on the operations of the entity	If applicable, mandatory
17BE(r)	57	Particulars of any reports on the entity given by: – the Auditor-General (other than a report under section 43 of the PGPA Act); or – a Parliamentary Committee; or – the Commonwealth Ombudsman; or – the Office of the Australian Information Commissioner	If applicable, mandatory
17BE(s)	N/A	An explanation of information not obtained from a subsidiary of the entity and the effect of not having the information on the annual report	If applicable, mandatory
17BE(t)	61	Details of any indemnity that applied during the reporting period to the accountable authority, any member of the accountable authority or officer of the entity against a liability (including premiums paid, or agreed to be paid, for insurance against the authority, member or officer's liability for legal costs)	If applicable, mandatory
17BE(taa)	36–40, 42	The following information about the audit committee for the entity: – a direct electronic address of the charter determining the functions of the audit committee; – the name of each member of the audit committee; – the qualifications, knowledge, skills or experience of each member of the audit committee; – information about each member's attendance at meetings of the audit committee; – the remuneration of each member of the audit committee	Mandatory
17BE(ta)	190–192	Information about executive remuneration	Mandatory
17BF		Disclosure requirements for government business enterprises*	
17BF(1)(a)(i)	N/A*	An assessment of significant changes in the entity's overall financial structure and financial conditions	If applicable, mandatory
17BF(1)(a)(ii)	N/A*	An assessment of any events or risks that could cause financial information that is reported not to be indicative of future operations or financial conditions	If applicable, mandatory
17BF(1)(b)	N/A*	Information on dividends paid or recommended	If applicable, mandatory
17BF(1)(c)	N/A*	Details of any community service obligations the government business enterprise has, including: – an outline of actions taken to fulfil those obligations; and – an assessment of the cost of fulfilling those obligations	If applicable, mandatory
17BF(2)	N/A*	A statement regarding the exclusion of information on the grounds that the information is commercially sensitive and would be likely to result in unreasonable commercial prejudice to the government business enterprise	If applicable, mandatory

Note:

* These disclosure requirements apply to government business enterprises only. The CEFC is not a government business enterprise, according to section 5 of the PGPA Rule.

Appendix A – Index of Annual Reporting requirements continued

Index of other Annual Reporting requirements

The template set out previously, as reproduced from paragraph 17BE(u) of the PGPA Rule, does not include all annual reporting requirements under the PGPA Act framework. There are annual reporting requirements relevant to the CEFC mandated by the CEFC Act framework and other legislation. This table sets out these other Annual Report requirements.

PGPA Act reference	Annual Report page	Description	Requirement
Index of requirements under the PGPA Act that fall outside paragraph 17BE(u) of the PGPA Rule, (the purported list of requirements to be included in a corporate Commonwealth entity’s annual report for the 2025–26 reporting period)			
PGPA Act, section 46	2	Provision of Annual Report (including annual financial and performance statements) to responsible Ministers by 15 October each year	Mandatory
PGPA Act, section 46 PGPA Rule, section 17BB	2	Board statement of approval of Annual Report with section 46 of the PGPA Act	Mandatory
PGPA Act, sections 42 and 43(4) PGPA (Financial Reporting) Rule 2015, Australian Accounting Standards	26	Board statement of compliance of performance report with section 39 of the PGPA Act	Mandatory
PGPA Act, section 42(3),43(4) PGPA (Financial Reporting) Rule 2015	80–137	Annual financial statements for Commonwealth entities	Mandatory
PGPA Act, section 46(3) PGPA Rule, section 17BC	Full report	Board statement of compliance of the financial statements with section 42(2) of the PGPA Act	Mandatory
PGPA Act, section 46(3) PGPA Rule, section 17BCA	Full report	Parliamentary standards of presentation	Mandatory
PGPA Act, section 46(3) PGPA Rule, section 17BD	Full report	Publication on transparency.gov.au	Mandatory
PGPA Act, section 46	Full report	Plain English and clear design, including glossary	Mandatory
RMG 127, Planning and Reporting	190	Confirmation that a CEO performance evaluation has been carried out during the financial year	Recommended
RMG 127, Planning and Reporting	51	Confirmation that a succession plan for senior executives is in place and maintained during the financial year	Recommended
RMG 136, Annual report content requirements	140–167	Reporting against Year 2 Commonwealth Climate Disclosure policy	If applicable, mandatory*

PGPA Act reference	Annual Report page	Description	Requirement
Index of requirements under the CEFC Act			
CEFC Act, section 74(1)(a)	23	Total value of section 63 investments, by reference to the class of clean energy technologies	Mandatory
CEFC Act, section 74(1)(b)	181–183	Realisation of any section 63 investments	Mandatory
CEFC Act, section 74(1)(c)	N/A	If required, explanation of why less than half of the funds are invested in renewable energy technologies	Mandatory
CEFC Act, section 74(1)(d)	122	Statement of the total value of concessions given by the Corporation	Mandatory
CEFC Act, section 74(1)(e)	80–137	Balance sheet setting out, as at the end of the financial year, the assets and liabilities and a statement of cash flows	Mandatory
CEFC Act, section 74(1)(f)	191	Remuneration and allowances of Board members and senior staff	Mandatory
CEFC Act, section 74(1)(g)	25, 64–137	Operating costs and expenses	Mandatory
CEFC Act, section 74(1)(h)	193–195	Benchmark report of operating costs and expenses of other comparable entities	Mandatory
CEFC Act, section 74(1)(i)	58–61	Procurement contracts of more than \$80,000	Mandatory
CEFC Act, section 74(1)(j)	82, 110	Credits and debits to the CEFC Special Account	Mandatory
CEFC Act, section 74(2)	64–137	Reporting on each of the items referred to in sections 74(1)(d) to (i) of the CEFC Act for subsidiaries	Mandatory
Index of requirements under the Investment Mandate Direction			
Investment Mandate, section 18	12–21	Reporting on the non-financial outcomes of all CEFC investments, including those under each Sub-Fund	Mandatory
Investment Mandate, section 18	68	Reporting on the disaggregate value of concessions given for each of the General Portfolio and Sub-Funds	Mandatory
Index of other reporting requirements			
EEO Act, section 9	184–187	Equal Employment Opportunity Report	Mandatory
WHS Act, Schedule 2, Part 4, section 4	188–189	Work Health and Safety Report	Mandatory
EPBC Act, section 516A	172–173	Environmental Performance and Ecologically Sustainable Development Report	Mandatory (see also RMG 136 above)
<i>Commonwealth Electoral Act 1918</i> , section 311A	N/A ¹	Commonwealth Departments are required to report on advertising and market research above applicable disclosure thresholds.	If applicable, mandatory
<i>Carer Recognition Act 2010</i> , section 8	N/A ²	In the case of an entity that is defined as a ‘public service care agency’, compliance with the entity’s obligations under the <i>Carer Recognition Act 2010</i> is required	If applicable, mandatory
<i>Future Made in Australia Act 2024</i> , section 11A	N/A	In the case that a Commonwealth entity or a Commonwealth company has provided Future Made in Australia Support in compliance with the <i>Future Made in Australia Act 2024</i> , compliance with the entity’s obligations under the <i>Future Made in Australia Act 2024</i> is required	If applicable, mandatory

1. The CEFC is not a “Commonwealth Department” as defined in the *Commonwealth Electoral Act 1918*.

2. CEFC is not a “public service care agency” as defined in the *Carer Recognition Act 2010*.

Appendix B – Portfolio Budget Statements: CEFC indicators

In addition to the Board approved performance indicators accounted for in the Performance Statements and Analysis in section 1, the PBS included two additional indicators that are accounted for below and this should be read as forming part of the Annual Performance Statements.

Performance measure

Capital committed to clean energy technologies in the year – Rewiring the Nation Fund.

The CEFC committed \$7.2 billion to clean energy technologies under the Rewiring Nation Fund during 2025-26. This amount is within the target range set out in the Portfolio Budget Statements of \$6 billion to \$8 billion.

Deliver portfolio returns in line with the relevant portfolio benchmark return targets set out in the *Clean Energy Finance Corporation Investment Mandate Direction 2023*.

The Investment Mandate sets out benchmark rates of return for the six funds and portfolios. At 30 June 2026, of the six funds/portfolios, only the General Portfolio was within or above the target return levels. The returns and analysis for each fund/portfolio are included at *Summary Financial Data – B. Portfolio Benchmark Returns*.

Appendix C – Realised investments

Realised investments

The CEFC reports on new investment commitments each quarter and actively manages its investment portfolio. Changes in circumstances can affect the final investment outcome. For example:

- Most investments are fully repaid or realised in the ordinary course of events, with some disposed of, sold or repaid earlier than expected due to borrower refinancing decisions. See Figure 73.
- Some investment commitments are never drawn, for example, because the borrower fails to meet conditions precedent, or the commitment is contractually cancelled. Others are partially cancelled where the total CEFC facility was not required. See Figure 73.

Figure 73: Investment commitments realised through repayment or disposal in 2025–26

Counterparty	Description	Year ¹	CEFC \$ ²	Explanation
Victorian Big Battery	Debt finance for the construction of a utility scale battery project.	2020–21	\$160.0m	Prepayment of facility
Macquarie Asset Finance	Finance for electric vehicles.	2017–18	\$100.0m	Maturity of final \$10m bond aligned to amortisation of underlying loans in the aggregation program
447 Collins Street	Finance for an energy efficient mixed-use property development.	2018–19	\$100.0m	Prepayment of facility
Gannawarra, Whitsundays and Hamilton Solar Farms	Debt finance for a portfolio of utility-scale solar farms.	2020–21	\$91.1m deployed (of \$95.4m)	Maturity of facility
Metro Finance	Mezzanine finance to support the uptake of electric vehicles and energy efficient equipment.	2023–24 2024–25	\$88.7m	Prepayment of facility
Pacific Equity Partners Secure Assets Fund II	Equity investment into a fund that will decarbonise infrastructure assets.	2022–23	\$80.0m	Sold by CEFC to support capital recycling
Kennedy Energy Park	Finance for an integrated wind, solar PV, and battery storage project.	2017–18	\$76.4m	Prepayment of facility
Mulpha NorWest	Debt finance for the construction of a sustainable residential apartment precinct.	2022–23	\$73.9m	Prepayment of facility
Gunnedah and Suntutop Solar Farms	Debt finance for construction of two utility-scale solar farms.	2020–21	\$71.2m	Prepayment of facility
ACEN Australia	Debt funding for a portfolio of renewable energy and storage assets.	2022–23	\$67.0m deployed (of \$75m)	Prepayment of facility
Intellihub	Debt finance to support the deployment of smart meters and behind-the-meter CER.	2023–24	\$50.0m	Facility repaid via a portfolio refinance by a lending syndicate including the CEFC
Hornsedale Power Reserve Expansion	Debt finance for a utility-scale battery storage facility.	2019–20	\$48.7m	Prepayment of facility

1. The year(s) in which the CEFC commitment occurred.

2. Lifetime CEFC commitment realised upon receipt of the final repayment or disposal made in the current year.

Appendix C – Realised investments continued

Counterparty	Description	Year ¹	CEFC \$ ²	Explanation
AEMO VNI West (Victoria)	Debt finance to fund early works for new transmission infrastructure.	2023–24	\$41.1m deployed (of \$120m)	Prepayment of facility
Sacyr Environment Australia/Valoriza	Finance for the construction of an organics processing facility.	2017–18	\$38.0m	Prepayment of facility
BlueGrass Solar Farm	Debt finance for the construction of a utility scale solar farm.	2021–22	\$37.0m	Prepayment of facility
Intera Renewables	Redeployment of an equity investment into a renewable asset platform.	2022–23 2024–25	\$28.0m	Sold by CEFC to support capital recycling
FirstMac Asset Funding	Debt to encourage uptake of low emissions electric passenger vehicles.	2022–23	\$25.0m deployed (of \$40m)	Prepayment of facility
Zenobē – Sydney bus service	Debt finance for the delivery of electric buses and charging infrastructure.	2021–22	\$24.5m	Prepayment of facility
QIC Town Centre Fund Green Bond	Investment in a corporate green bond.	2019–20	\$24.0m	Maturity of bond
Xpansiv	Equity investment into a market exchange provider for environmental commodities (including carbon credits) and registry infrastructure.	2021–22	\$20.0m	Sold by CEFC to support capital recycling
Blind Creek Solar Farm	Equity investment to develop a utility scale solar PV and battery project.	2021–22 2024–25 2025–26	\$9.5m	Sale of Blind Creek Solar Farm and Battery to Octopus Australia Sustainable Investments Fund (OASIS)
3ME Global Holdings	Investment in a company that produces battery and electric vehicle systems servicing the mining industry.	2021–22 2025–26	\$6.0m	Loan repaid and equity position sold with deferred consideration
Wattwatchers	Equity investment in a ‘behind the meter’ technology company.	2017–18 2020–21 2024–25	\$3.0m	Company placed into voluntary administration and will be wound up

1. The year(s) in which the CEFC commitment occurred.

2. Lifetime CEFC commitment realised upon receipt of the final repayment or disposal made in the current year.

Figure 74: Investment commitments contractually cancelled, allowed to expire or partially reduced in 2025–26

Counterparty	Description	Year ¹	Change ²	Explanation
Central West Orana Renewable Energy Zone (ACERZ)	Debt finance to fund the construction of new transmission infrastructure.	2024–25	\$113.2m	Partially sold to support crowding-in of third-party capital
Rabobank Asset Finance Program	Bank aggregation program to fund carbon sequestration projects.	2024–25	\$100.0m	Partial amendment to contingent commitment
NSW Scheme Financial Vehicle	Senior debt corporate facility to facilitate Renewable Energy Zones.	2023–24	\$100.0m	Cancelled without the need for CEFC deployment
ANZ Asset Finance Program	Debt finance for energy efficiency and renewable energy assets.	2019–20 2021–22	\$90.0m	Disposal of bonds due to amortisation of underlying loans in the aggregation program
Octopus Australia Sustainable Investments Fund	Equity investment in a renewable energy fund to develop new utility scale renewable and storage assets.	2022–23	\$59.4m	Partial sale of units by CEFC to support capital recycling
IFM Australian Infrastructure Fund	Equity investment in a diversified infrastructure fund.	2017–18	\$50.0m	Partial sale of units by CEFC to support capital recycling
IFM Growth Partners	Equity investment into a private equity fund to decarbonise a portfolio of companies.	2021–22	\$36.9m	Partial sale of units by CEFC to support capital recycling
Macquarie Agriculture Fund – Crop Australia	Equity investment in an agriculture fund with a focus on techniques to increase energy productivity.	2017–18	\$29.2m	Partial sale of units by CEFC to support capital recycling
North West Transmission Developments – early works	Debt finance to partially fund early works for an electricity transmission project.	2025–26	\$8.4m	Partially cancelled upon expiry of availability period
Plico – Starling Energy Group	Debt finance for residential solar and battery VPP subscription contracts.	2025–26	\$4.7m	Partially cancelled as remainder of facility no longer required
Team Global Express	Debt finance to support the acquisition of electric trucks and associated infrastructure.	2023–24	\$4.2m	Partially cancelled as remainder of facility no longer required
Virescent Ventures Fund II	Equity investment in a specialist climate technology venture capital fund.	2024–25	\$0.5m	Partially cancelled upon expiry of availability period
Blind Creek Solar Farm	Equity investment to develop a utility scale solar PV and battery project.	2021–22	\$0.4m	Partial cancellation of undrawn commitment

1. The year(s) in which the CEFC commitment occurred.

2. The portion of the original investment commitment cancelled, allowed to expire or reduced during the year. Excludes scheduled and unscheduled amortisation payments and returns of capital from equity investments that do not result in a change in the number of units held by the CEFC.

Appendix D – Equal Employment Opportunity Report

Reporting period

The CEFC reports its obligations under the *Equal Employment Opportunity (Commonwealth Authorities) Act 1987* (EEO Act) annually. This Report covers the period 1 July 2025 to 30 June 2026 inclusive.

Approach to EEO

The CEFC seeks to reflect the diversity of the Australian community in its workforce. We are committed to fair, merit-based recruitment, training and promotion, and to fostering positive working relationships in a healthy, safe and discrimination-free workplace. CEFC policies and procedures are guided by Australian legislation and Equal Employment Opportunity (EEO) principles, including:

- The CEFC Code of Conduct and Ethics sets the standards for the way we work at the CEFC, including expectations in relation to standards of professional behaviour
- The CEFC Workplace bullying, discrimination and harassment policy reflects our commitment to provide a positive work environment, free from inappropriate workplace behaviour such as workplace bullying, discrimination and harassment.

In 2025–26 the CEFC undertook a review to ensure its EEO program and related policies remain appropriate and relevant. The CEFC has not identified any policies or practices that discriminate against, or any patterns of inequality of opportunity, in respect of women and designated groups. Workplace policies and the related procedures and practices are communicated via induction compliance training for all new employees, as well as annual compliance refresher training for all employees. These materials are accessible to CEFC staff via the CEFC intranet.

Annual compliance training includes the CEFC Code of Conduct and Ethics, and policies relating to WHS as well as workplace behaviour and conduct EEO monitoring and evaluation.

Diversity, equity and inclusion strategy and working group

The CEFC has a Diversity, Equity and Inclusion (DEI) Working Group that meets monthly and is responsible for developing and implementing initiatives that will help us deliver on the five strategic themes of the DEI strategy:

1. Building leadership and sponsorship for DEI
2. Strengthening our inclusive workplace culture of belonging
3. Improving diversity at all levels
4. Improving gender equity
5. Providing greater support for carers' careers.

During the year, the DEI Working Group led a range of communications, in-office events and staff education to acknowledge the diversity of our workforce including Diwali, Remembrance Day, Lunar New Year, International Mother Language Day and International Women's Day.

A key focus in 2025–26 was building workplace understanding of neurodiversity through organisation-wide education, lived-experience storytelling, employee resources and specialised training for leaders on neuro-inclusive leadership, psychological safety and stigma reduction.

The CEFC was recognised by the Diversity Council Australia as an Inclusive Employer for 2025–26, having exceeded the national benchmark across all measured inclusion indicators. This recognition reflects the organisation's continued commitment to fostering an inclusive, respectful and high-performing workplace where employees can thrive and contribute their best.

First Nations & First Nations Advisory Committee

We worked with our First Nations Advisory Committee and conducted several activities consistent with our Innovate Reconciliation Action Plan in the 2025–26 year. This included:

- Engaging with and hosting National Reconciliation Week and NAIDOC Week events, fostering ongoing relationships, and continuing to awareness raising of Reconciliation across the CEFC.
- Enabling all staff to be able to participate in cultural awareness training, events, immersion and experiences during the year.
- Welcoming our inaugural First Nations Board member, with Dr Kate George joining the CEFC Board in November 2025.
- Expanding the CEFC First Nations Board Observer Program – a dedicated program to develop First Nations board leaders in respect of energy, climate and finance. We welcomed the second appointee under this program in January 2026.
- Commencing development of a dedicated First Nations strategy to unite and guide our future Reconciliation and organisational ambitions in delivering meaningful First Nations outcomes.
- Updating our First Nations investment screening approach to better inform our investment decision making with respect to Aboriginal and Torres Strait Islander people.
- Working with the First Nations Heritage Protection Alliance in piloting the Dhawura Ngilan Business & Investor Initiative to embed First Nations-led cultural heritage standards into our governance and due diligence, and protect First Nations cultural heritage as part of our investments.
- Continuing to expand our engagement with Responsible Investment Association Australasia (RIAA) under its First Nations Peoples' Rights Working Group initiative, through involvement in subgroups and knowledge sharing sessions.
- Partnering with First Nations firms to deliver education, events, internal policy and procedural support as well as strategic guidance to our organisation.

Policy development

We have a program of regular policy review to ensure our policies are fit for purpose and we are meeting our legislative obligations. During the reporting period, supported by the Board People & Culture Committee, the CEFC introduced new guidelines and implemented policy enhancements to support diversity, equity and inclusion, including:

- Workplace behaviour guidelines
- Code of conduct.

Reporting and oversight

The CEFC Equal Employment Opportunity (EEO) Program provides the framework for how the organisation promotes merit-based employment, supports an inclusive and discrimination-free workplace, and meets its obligations under the *Equal Employment Opportunity (Commonwealth Authorities) Act 1987*. The Program sets out the organisation's approach to governance, consultation, workforce data collection and analysis, policy review, objectives and indicators, and ongoing monitoring and evaluation. The CEFC is committed to transparent reporting on the development and implementation of the Program in line with statutory requirements. An EEO Program Report is prepared annually for the preceding financial year and provided to the responsible Minister(s) within three months of the end of the reporting period, by 30 September. The report outlines the actions taken under each element of the Program, presents workforce statistics and data analysis, evaluates effectiveness against the Program's objectives and indicators, and identifies any issues or proposed improvements to inform the next reporting cycle.

Annually, in March, a Gender Diversity Report is compiled for the Board and People and Culture Committee. The report provides a detailed analysis of gender representation, gender pay gaps, other diversity factors, and associated trends and insights into causal factors as well as proposed strategies.

In compliance with the *Workplace Gender Equality Act 2012*, the CEFC reports annually to the Workplace Gender Equality Agency (WGEA). The reports cover gender composition of the workforce, gender composition of governing bodies, equal remuneration, flexible working arrangements, consultation on gender equality, and sexual harassment. The report is shared with employees, the Board and the CEFC's Responsible Ministers.

Appendix D – Equal Employment Opportunity Report continued

Paid parental leave

The CEFC Parental Leave policy provides equal access to parental leave entitlements, including:

- A paid parental leave entitlement of 18 weeks
- Superannuation on the unpaid parental leave (to a maximum of 34 weeks).

During the reporting period, nineteen employees utilised CEFC paid parental leave. Of the employees who accessed paid parental leave, seven were female, twelve were male.

Flexible working arrangements

The CEFC offers flexible working arrangements aligned with the *National Employment Standards*. Of the 181 employees at 30 June 2026, 3.87 per cent were employed on a part-time basis. The CEFC has eleven employees with a formal flexible working arrangement (including compressed working weeks and working from home arrangements). During the reporting period, the CEFC continued to offer hybrid working arrangements, whereby employees are expected to spend on average, at least three days per week at a CEFC office, with the option to work from home for the remaining days.

Gender equality

The CEFC conducts a gender pay analysis each March and July. The March analysis is used to inform pay decisions during the annual remuneration review in June, and the July analysis evaluates the impact of these decisions on gender pay equity.

The March 2026 analysis showed the average gender pay gap at the organisational level was 22.9 per cent (in favour of men), calculated using the average of all salaries for men and women (excluding the CEO). The pay gap remains steady compared with the previous year's report and is comparable to the financial and insurance services sector (at 19.4 per cent) reported by the Workplace Gender Equality Agency for the 2024–25 reporting period.

The CEFC gap is due to a larger proportion of men being in the most senior roles, which attract higher remuneration. The percentages are subject to some volatility given the small size of the organisation. A more precise measure of gender pay equity is a like-for-like pay comparison. Based on the March 2026 analysis, the average pay gap across 17 positions (where a gap could be calculated) was 6.1 per cent, compared with the previous 5 per cent gap in March 2025, influenced by staff movements (promotions, new hires and exits) over the reporting period. Any gender pay gaps that emerge over the year are reviewed during the annual remuneration review.

During the year, the CEFC became a signatory to the global Equal by 30 campaign, joining governments, businesses and organisations committed to advancing gender equality in the clean energy sector by 2030.

The campaign promotes equal pay, equal leadership and equal opportunities for women as part of the transition to a clean energy future. The CEFC joined the initiative to support a more diverse and inclusive workforce and contribute to broader industry progress. Our commitments focus on improving gender balance in senior leadership, reducing the gender pay gap, identifying and eliminating barriers to women's career progression, strengthening leadership accountability, embedding inclusive practices in our people processes, and increasing transparency in how we measure and report progress on gender equality.

Diversity profile

At 30 June 2026, the CEFC had 181 employees, an increase of six employees on the prior year. As a specialist financier, the CEFC recruits experienced senior practitioners within each functional area, which is reflected in the average employee age of 42.42 years.

The CEFC continues to reflect a diverse cultural profile: 44.75 per cent of employees were born overseas, including 81 employees from 30 countries. The CEFC had 20 employees (11.05 per cent) who reported English as their second language at 30 June 2026.

At 30 June 2026, 67 per cent of the CEFC Board and 38 per cent of the CEFC Executive Team were women with 28 per cent of senior management positions held by women. Women were awarded 8 (44 per cent) of the 18 promotions in the 2025–26 year. Women also comprised 59 per cent of the 27 new recruits in the year. Overall, gender diversity was steady during the reporting year, sitting at 48.07 per cent men and 51.93 per cent women at 30 June 2026.

One employee identified as being First Nations in the 2025–26 year. Reasonable adjustments are in place for employees living with disability who have requested support.

Figure 75: CEFC EEO reporting comparison

EEO designated group	30 June 2025		30 June 2026	
	Employees	%	Employees	%
Female	75	51.4	94	51.93
Born overseas	77	44	81	44.75
English as a second language	18	10.3	20	11.05

Figure 76: CEFC employee overview 2025–26

	Non-ongoing	Ongoing	Total
Gender			
Woman/female	1	93	94
Man/male	4	83	87
Non-binary	0	0	0
Prefers not to answer	0	0	0
Uses a different term	0	0	0
Total	5	176	181
Employment status			
Full-time	5	169	174
Part-time	0	7	7
Total	5	176	181
Location			
Brisbane	1	69	70
Canberra	0	1	1
Melbourne	0	16	16
Perth	0	6	6
Sydney	4	84	88
Total	5	176	181

Particulars of directions by responsible Ministers

The CEFC did not receive any directions made by responsible Ministers under section 12 of the EEO Act in the 2025–26 year.

Appendix E – Workplace Health and Safety Report

Reporting period

The CEFC is a “public authority” under the *Workplace Health and Safety Act 2011* (WHS Act) and is required to report annually according to the particulars of Schedule 2, Part 4, section 4 of the WHS Act. This Report covers the period 1 July 2025 to 30 June 2026 inclusive.

WHS compliance

The CEFC Board and its People & Culture Committee is responsible for overseeing the CEFC’s compliance with statutory and legal duties relating to WHS. The Board’s WHS compliance framework includes:

- Maintaining a Risk Management Framework and Risk Appetite Statement with respect to the organisation’s tolerance for WHS incidents
- Reporting WHS incidents
- Maintaining corporate policies and procedures.

As of 30 June 2026, the CEFC had up to 13 emergency wardens across Sydney, Brisbane, Melbourne and Perth offices. These CEFC emergency wardens conducted emergency response and evacuation training in accordance with requirements under relevant state laws. During this period, the CEFC had 13 certified First Aid Officers, who completed annual certification in accordance with best practice.

Details of emergency evacuation procedures, emergency wardens and first aid officers are provided to CEFC employees and displayed within CEFC offices and on the CEFC intranet via a dedicated WHS page. In addition, first aid procedures and equipment are available to all employees.

WHS training

New employees are provided with access to induction materials through the CEFC intranet including key CEFC policies such as the CEFC Code of Conduct and Ethics, WHS and workplace behaviour and conduct. Mandatory WHS induction training covers ergonomic workstation setup, workplace hazard identification, injuries and incident reporting, stress management information, exercises and stretches, safe lifting guidance, and responses to hazardous or emergency situations.

All CEFC employees undertake mandatory annual refresher training including the CEFC Code of Conduct and Ethics, WHS, Discrimination, Anti-Bullying and Anti-Harassment. Contractors and consultants must comply with all workplace laws and ensure that their subcontractors are also in compliance. Standard agreements with contract suppliers include clauses requiring compliance with workplace laws.

WHS in the workplace

The CEFC is committed to the health, safety and wellbeing of its employees, and acknowledges its responsibilities under the WHS Act, as well as its obligations under the National Employment Standards (NES). These cover standard hours of work, reasonable additional hours, requests for flexible working arrangements, the right to disconnect, leave entitlements, public holidays and workplace protections. These standards support the CEFC’s broader approach to sustainable work practices, employee wellbeing and work–life balance.

Regular reporting on hazard management is provided to the CEFC Executive Team and Board to support oversight and continual improvement. The People and Culture team proactively implements appropriate risk management controls, including the development of policies and guidelines covering flexible work arrangements, workplace behaviour standards, time in lieu protocols, and safe work from home practices. People leaders were provided with annual information and guidance to support the identification and management of psychosocial hazards within their teams, reinforcing a culture of care, safety and accountability across the organisation.

To support the psychological health of our employees, the CEFC offers a confidential Employee Assistance Program (EAP), which provides counselling support for employees and coaching for managers. As of 30 June 2026, the CEFC had 10 accredited Mental Health First Aid Officers across our offices, supporting mental health awareness and providing early intervention support for employees.

As part of our 2025–26 wellbeing focus, the CEFC marked R U OK? Day with a dedicated session that explored the importance of meaningful conversations to encourage positive mental health and the psychological support pathways available to employees.

During the reporting period, the CEFC continued to support employee health, wellbeing and connection through targeted initiatives and resources, including:

- Psychosocial hazard education, information and resources for people leaders
- Mental health and wellbeing awareness initiatives
- Mental health and stress management resources and support tools
- Office social and charity-related connection events
- Peer recognition initiatives.

During the reporting period, the CEFC continued to offer hybrid working arrangements, whereby employees are expected to spend on average, at least three days per week in a CEFC office, with the option to work from home on the remaining days.

The CEFC continues to implement established WHS controls across our offices, to ensure employees can work from home safely. These include the introduction of a Working Safely From Home policy, virtual ergonomic and injury prevention sessions and WHS audits of home workspaces for all new hires.

The CEFC offers facilities and initiatives to support the health, safety and wellbeing of our employees, including:

- Voluntary annual flu vaccinations
- Defibrillators in all offices
- Wellness rooms in Sydney, Melbourne and Brisbane offices
- Competitive rates for fitness programs, corporate fitness challenges and events
- Biennial Executive health checks
- Ergonomic workstation assessments
- Workstations and equipment reflecting up-to-date safety features (e.g. standing desks)
- Regular testing and tagging of electronic equipment, fire warning and evacuation systems
- Restricted security pass access to offices and buildings
- Lockers and end-of-trip facilities.

Comcare proactive inspection

During the reporting period, Comcare completed a proactive inspection of the CEFC's work health and safety risk management framework, including an onsite review conducted in May 2026. The final report confirmed that the CEFC has established systems and processes that support compliance with the *Work Health and Safety Act 2011* and associated Regulations, with no non-compliance identified within the scope of the inspection. The report recognised strengths in the CEFC's structured risk management approach, incident management processes, worker consultation arrangements, and training and communication practices. Comcare also identified opportunities to further strengthen risk assessments for employees attending external workplaces and to enhance policy documentation through clearer definitions of key terms. The inspection has now been finalised, with management oversight in place to implement the recommended improvements.

WHS outcomes

The CEFC is required to report on health and safety outcomes, including the impact of injury rates of workers.

Notifiable incidents

There were no notifiable incidents (such as deaths, serious injury or illness, or dangerous incidents) for the reporting period.

Investigations

The CEFC must report any investigations that relate to businesses or undertakings conducted by the entity, including details of all notices given to the entity during the reporting year under Part 10 of the WHS Act. The CEFC has not received any notices, conducted any investigations, nor been investigated under the relevant provisions and is a Nil report for all particulars.

Other matters under JCPAA guidelines

Under the WHS Act, the CEFC is required to report on other matters as required by guidelines approved on behalf of the Australian Parliament by the Joint Committee of Public Accounts and Audit (JCPAA). The JCPAA had not specified additional requirements for the CEFC under this provision.

Appendix F – Executive remuneration

Under the PGPA Act and PGPA Rule, the CEFC is required to report on the remuneration approach for Key Management Personnel (KMP), including the CEFC Board and senior Executive Team, and Other Highly Paid Staff (OHPS). CEFC remuneration is calculated and disclosed in accordance with AASB 119 Employee Benefits. All amounts are calculated and disclosed on an accrual basis. This report covers the period 1 July 2025 to 30 June 2026 inclusive.

Definitions

The CEFC defines KMP as statutory office holders and employees who have the authority and responsibility for planning, directing and controlling the activities of the CEFC, either directly or indirectly. CEFC KMP include Board members, the CEO and Executive Team. Refer Figure 77. The CEFC does not have any Senior Executives other than KMPs.

The CEFC defines OHPS as CEFC employees whose total remuneration exceeded the \$265,000 threshold for the 2025–26 year. KMPs are not classified as OHPS.

Approach to executive remuneration 2025–26

Remuneration for Board members is determined by the Remuneration Tribunal, pursuant to the *Remuneration Tribunal Act 1973*.

In 2025–26 and each year, the CEO's performance is evaluated by the People and Culture Committee, which recommends final decisions to the Board for approval. Remuneration for the Executive Team is determined by the People and Culture Committee and approved by the Board.

Remuneration for OHPS is governed by the Board approved CEFC Remuneration Philosophy and High Performance Incentive Plan and is determined by the CEO in consultation with the Executive Team.

CEFC Executives are employed (or in the case of the CEO, engaged) on individual contracts, with terms and conditions based on the National Employment Standards contained in the *Fair Work Act 2009*. Executives are not covered by the *Australian Government Industry Award 2016*, which applies to other CEFC employees, including OHPS.

During 2025–26, the total reward for Executives included fixed remuneration of base salary plus superannuation, in addition to a discretionary incentive commensurate to their roles and responsibilities.

Remuneration is determined with reference to market benchmarking data to support the recruitment and retention of Executives with the required skills to manage the diverse CEFC functional areas. Market remuneration data is provided by the Financial Industry Remuneration Group (FIRG), across comparable organisations, both in the private and public sectors. FIRG market data provides comparisons for fixed remuneration as well as total reward, comprising fixed plus incentive pay.

The available incentive pool is determined by the Board each year and is entirely dependent on the achievement of the Corporate objectives. Incentives are awarded annually, based on the performance of the CEFC and individuals, with reference to their performance objectives, which include defined targets, measures and behaviours aligned with the CEFC Values. Incentive awards are discretionary, and the quantum is influenced by a particular role's ability to influence commercial outcomes for the CEFC, consistent with the Australian Public Service Commission's *Performance Bonus Guidance*.

In line with industry practice, one third of incentive awarded is deferred for the CEO, Executives, and senior OHPS. The retained amount is paid in three equal instalments over three years, provided there are no adverse matters arising in relation to transactions, breaches of practice, reputational damage, acts of malice or fraud committed by the individual. The Board and CEO may rescind and retrieve incentive payments where adverse matters have caused a reassessment of an individual's performance in a previous performance period.

Superannuation Guarantee Levy

Effective 1 July 2025, the Superannuation Guarantee Levy increased from 11.5 per cent to 12 per cent. The CEFC Board determined that the CEFC would meet the cost of the 0.5 per cent increase as an employer expense, up to the maximum allowable \$30,000 per year. This is consistent with the superannuation guarantee legislation. The incremental annual cost to the CEFC, based on 1 July 2025 headcount, is \$113,350.

Senior executives 2025–26

The CEFC does not have any senior executives other than those already included within the KMP disclosures in Figure 77.

Other highly paid staff

OHPS are CEFC employees (excluding KMPs) whose total remuneration exceeds the \$265,000 threshold for the 2025–26 year.

Figure 77: KMP Remuneration 2025–26

Name	Position	Short-term benefits					Post-employment benefits			Other long-term benefits			Term-innovation benefits	Total remuneration	
		Annual fees¹ (\$)	Base salary² (\$)	Performance based compensation (\$)	Movement in leave provisions³ (\$)	Other benefits and allowances⁴ (\$)	Superannuation contributions (\$)	Performance based compensation (\$)	Long service leave (\$)	Other long-term benefits (\$)	Term-innovation benefits (\$)				
Non-Executive Board Members															
Steven Skala AO	Chair	136,309	–	–	–	–	16,356	–	–	–	–	–	–	152,665	
Dr Guy DeBelle	Director	67,764	–	–	–	–	8,132	–	–	–	–	–	–	75,896	
Dr Kate George⁵	Director	44,400	–	–	–	–	5,327	–	–	–	–	–	–	49,727	
David Jones AM	Director	67,764	–	–	–	–	8,132	–	–	–	–	–	–	75,896	
Andrea Slattery	Director	67,764	–	–	–	–	8,132	–	–	–	–	–	–	75,896	
Samantha Tough	Director	67,764	–	–	–	–	8,132	–	–	–	–	–	–	75,896	
Nicola Wakefield Evans AM	Director	67,764	–	–	–	–	8,132	–	–	–	–	–	–	75,896	
CEO and Senior Executive Team															
Ian Learmonth	Chief Executive Officer	–	670,470	304,838	(24,793)	–	30,000	152,419	56,593	–	–	–	1,189,527		
Simon Every	Chief Public Affairs Officer	–	379,642	133,333	(427)	–	30,000	66,667	50,738	–	–	–	659,953		
Sara Leong	Chief Asset Management Officer	–	513,227	176,667	(5,687)	–	30,000	88,333	33,168	–	–	–	835,708		
Roger (Rory) Lonergan	Chief Investment Officer	–	502,945	213,333	(33,928)	–	30,000	106,667	53,425	–	–	–	872,442		
Paul McCartney	Chief Investment Officer	–	515,815	210,000	(8,365)	–	30,000	105,000	66,166	–	–	–	918,616		
Leanne McDonald	Chief People and Culture Officer	–	415,768	126,667	16,413	–	30,000	63,333	31,584	–	–	–	683,765		
Monique Miller	Chief Investment Officer	–	502,945	186,667	(11,251)	–	30,000	93,333	50,332	–	–	–	852,026		
Andrew Powell	Chief Financial Officer	–	484,378	153,333	3,593	–	30,000	76,667	63,101	–	–	–	811,072		
Saxon (Jay) Tolson⁶	Chief Operating Officer	–	454,519	156,667	11,315	–	30,000	78,333	36,658	–	–	–	767,492		
Craig Whalen⁷	Chief Risk Officer	–	194,511	–	12,020	–	22,500	–	27,033	–	–	249,808	505,872		
Total		519,529	4,634,220	1,661,505	(41,110)	–	354,843	830,752	468,798	–	–	249,808	8,678,345		

Notes:

1. Annual Board Fees are paid in accordance with the Determination(s) of the Remuneration Tribunal.
2. Base Salary is "grossed-up" for any amounts sacrificed by a KMP for the purchase of additional leave (maximum two weeks).
3. Movement in annual leave provisions is shown separately from Base Salary. KMPs accrue a maximum of four weeks annual leave per year. A positive movement means more leave was accrued than was taken in the year.
4. The CEFC does not provide benefits or allowances (such as car parking, housing benefits, or health benefits and the associated fringe benefits tax), resulting in \$Nil consideration for the reporting period.
5. Dr Kate George was appointed as a Director effective 4 November 2025.
6. Saxon (Jay) Tolson was appointed as Chief Operating Officer effective 1 December 2025. Previously he had been General Counsel and Company Secretary (also a KMP role) and therefore the remuneration above is for the full financial year.
7. Craig Whalen resigned as Chief Risk Officer effective 1 December 2025 and finished his employment with the CEFC on 27 February 2026. The remuneration above covers the period 1 July 2025 through 27 February 2026.

Appendix F – Executive remuneration continued

Figure 78: Remuneration of OHPS

Remuneration band	Number of OHPS	Short-term benefits				Post-employment benefits				Other long-term benefits				Termination benefits		Total remuneration
		Average base salary ¹ (\$)	Average performance based compensation (\$)	Average movement in leave provisions ² (\$)	Average other benefits and allowances ³ (\$)	Average super-annuation contributions (\$)	Average performance-based compensation (\$)	Average long service leave (\$)	Average other long-term benefits (\$)	Average termination benefits (\$)	Average total remuneration (\$)					
\$270,001 to \$295,000	15	203,095	44,433	1,863	-	24,310	-	9,470	-	-	-	-	-	-	283,171	
\$295,001 to \$320,000	6	218,397	52,352	471	-	26,671	-	12,318	-	-	-	-	-	-	310,209	
\$320,001 to \$345,000	5	225,949	71,500	1,017	-	26,282	-	9,890	-	-	-	-	-	-	334,638	
\$345,001 to \$370,000	9	228,087	86,278	2,191	-	26,474	-	14,941	-	-	-	-	-	-	357,971	
\$370,001 to \$395,000	8	250,273	88,844	4,758	-	28,650	-	13,450	-	-	-	-	-	-	385,975	
\$395,001 to \$420,000	8	264,436	104,031	3,436	-	28,781	-	14,036	-	-	-	-	-	-	414,720	
\$420,001 to \$445,000	9	285,052	97,167	4,151	-	29,785	4,417	10,786	-	-	-	-	-	-	431,358	
\$445,001 to \$470,000	3	272,620	107,222	9,113	-	29,574	12,778	27,890	-	-	-	-	-	-	459,197	
\$470,001 to \$495,000	2	290,712	100,833	7,397	-	29,789	19,167	32,946	-	-	-	-	-	-	480,844	
\$495,001 to \$520,000	2	311,075	105,833	19,320	-	30,000	21,667	22,601	-	-	-	-	-	-	510,496	
\$520,001 to \$545,000	3	347,433	100,944	(16,487)	-	30,000	33,806	30,230	-	-	-	-	-	-	525,926	
\$545,001 to \$570,000	4	338,021	115,167	7,377	-	30,000	41,958	26,318	-	-	-	-	-	-	558,841	
\$570,001 to \$595,000	1	365,589	112,833	(7,247)	-	30,000	56,417	15,051	-	-	-	-	-	-	572,643	
\$595,001 to \$620,000	3	381,086	114,556	(6,319)	-	30,000	57,278	25,209	-	-	-	-	-	-	601,810	
\$620,001 to \$645,000	4	407,630	108,417	(75)	-	30,000	54,208	35,825	-	-	-	-	-	-	636,005	
\$645,001 to \$670,000	1	407,141	119,500	649	-	30,000	59,750	29,910	-	-	-	-	-	-	646,950	
\$720,001 to \$745,000	1	418,362	166,667	15,999	-	30,000	83,333	17,702	-	-	-	-	-	-	732,063	
\$745,001 to \$770,000	1	443,317	166,667	4,693	-	30,000	83,333	35,876	-	-	-	-	-	-	763,886	

Notes:

1. Base Salary is "grossed-up" for any amounts sacrificed by an individual for the purchase of additional leave (maximum two weeks).
2. Movement in annual leave provisions is shown separately from Base Salary. Individuals accrue a maximum of four weeks' annual leave per year. A positive movement means more leave was accrued than was taken in the year.
3. The CEFC does not provide benefits or allowances (such as car parking, housing benefits, or health benefits and the associated fringe benefits tax), resulting in \$Nil consideration for the reporting period.

Appendix G – Summary of operating costs and expenses and benchmark

Reporting period

Under the CEFC Act, the CEFC must include in its Annual Report details of operating costs and expenses for the financial year (refer to section 3 *Financial information*) and a benchmark of operating costs and expenses against comparable entities for that financial year. This report covers the period 1 July 2025 to 30 June 2026 inclusive.

CEFC overview

The CEFC is a corporate Commonwealth entity, with an independent Board, that invests in eligible renewable energy, energy efficient and low emissions technologies. The CEFC invests only in financial assets and does not have a large treasury function. At 30 June 2026, the CEFC had 181 employees located in Sydney (headquarters), Brisbane, Canberra, Melbourne and Perth. At 30 June 2026, the CEFC had access to up to \$33.15 billion through drawing rights against the CEFC Special Account maintained by DCCEEW.

Comparator entities

The comparator entities include five Australian Government-owned entities that also have a public purpose and a commercial mode of operation:

- Future Fund Management Agency
- Export Finance Australia*
- Northern Australia Infrastructure Facility (NAIF)*
- Housing Australia*
- National Reconstruction Fund Corporation (NRFC)*

* These entities (and others) are included alongside the CEFC in the list of Specialist Investment Vehicles (SIVs) contained in the Resource Management Guide (RMG 127) published by the Department of Finance in July 2025.

Note on comparisons

Direct comparisons of the CEFC with other entities are constrained by the following factors:

- There are few government-owned public purpose entities that perform a similar type of function
- Each comparator entity has its own unique mandate specific to its particular market needs, such as target sectors, technologies, financial instruments, geographical limitations and access to capital
- The current financial year data on comparator entities may not be readily available
- Entities use different expense and data reporting categories, impeding like-for-like comparisons.

Future Fund Management Agency

The Future Fund was established under Division 2 of Part 5 of the *Future Fund Act 2006* and is governed by an independent board, which makes investment decisions according to ministerial directions via an Investment Mandate. The Fund pursues a broad sectoral spread in its investments, and is neither geographically nor sector limited in the same way as the CEFC. Latest available data, to 30 June 2026, showed total funds under management of \$356.0 billion across seven funds with the main Future Fund of \$289.7 billion invested in:

- Australian equities: 10.5 per cent
- Global equities: 33.7 per cent
- Private equity: 12.1 per cent
- Property: 3.8 per cent
- Infrastructure and Timberland: 11.5 per cent
- Credit: 8.1 per cent
- Alternatives: 14.9 per cent
- Cash: 5.4 per cent

 [Refer to futurefund.gov.au](https://futurefund.gov.au) for more details.

Export Finance Australia

Export Finance Australia is a corporate Commonwealth entity under the *Export Finance and Insurance Corporation Act 1991* (EFIC Act), governed by an independent board. It operates on a commercial basis and partners with, but does not compete with, commercial banks. Its investments primarily relate to the issuing of loans, guarantees, bonds and insurance options, with 471 transactions valued at \$2.1 billion completed in 2024–25, with exposures of some \$6.0 billion (Commercial Account \$2.2 billion, National Interest Account \$3.8 billion). Its key functions are to:

1. Provide finance that facilitates and encourages Australian export trade, overseas investment and infrastructure development
2. Encourage banks and other financial institutions in Australia to finance exports and overseas infrastructure development
3. Provide information and advice regarding financial arrangements to support Australian export trade, overseas investment and infrastructure financing
4. Assist other Commonwealth entities and businesses in providing finance and financial services
5. Administer payments in relation to certain overseas aid projects financed by the Commonwealth
6. Provide finance that supports Australia's economic resilience and security and the net zero transformation

 [Refer to exportfinance.gov.au](https://exportfinance.gov.au) for more details.

Appendix G – Summary of operating costs and expenses and benchmark continued

Northern Australia Infrastructure Facility

The NAIF is a corporate Commonwealth entity under the *Northern Australia Infrastructure Facility Act 2016* (NAIF Act). Its commercially focused independent board makes investment decisions, subject to a right of veto by the responsible Ministers and confirmation of support from the relevant State Government.

The NAIF offers up to \$7 billion in debt or equity finance to projects that satisfy the relevant mandatory criteria in the Investment Mandate. NAIF's primary purpose is to contribute to the Nation by proudly investing in the growth of northern Australia, by:

1. Providing financial assistance predominantly through the States and Territories to other entities for the development of northern Australia economic infrastructure
2. Determining terms and conditions for financial assistance
3. Providing incidental assistance to the States and Territories in relation to financial arrangements and agreements related to the terms and conditions of financial assistance.

NAIF finances projects which underpin, facilitate, or are associated with:

1. Investing
2. Growing northern Australia
3. Delivering Indigenous outcomes
4. Contributing to the Nation.

 [Refer to naif.gov.au](http://naif.gov.au) for more details.

Housing Australia

Housing Australia is a corporate Commonwealth entity under the *Housing Australia Act 2018*. Housing Australia provides long-term and low-cost finance, and capability building assistance, to registered community housing providers (CHPs) to support the provision of more social and affordable housing.

Housing Australia lends, invests and provides grants to help finance the critical infrastructure needed to unlock and accelerate new housing supply. It operates the Affordable Housing Bond Aggregator (AHBA), the National Housing Infrastructure Facility, Housing Australia Future Fund Facility and National Housing Accord Facility.

The AHBA provides low-cost, long-term loans to registered CHPs and is funded by Housing Australia issuing its own bonds into the wholesale capital market and via a \$4 billion line of credit facility provided by the Australian Government.

Housing Australia improves housing outcomes for Australians by:

1. Increasing housing supply to support growing demand

2. Encouraging investment in housing, particularly in the social and affordable housing sector
3. Providing finance and grants that complement and support Commonwealth, state and territory housing initiatives
4. Strengthening the community housing sector by improving its scale, efficiency and effectiveness
5. Facilitating earlier access to homeownership for eligible buyers.

 [Refer to housingaustralia.gov.au](http://housingaustralia.gov.au) for more details.

National Reconstruction Fund Corporation

The NRFC was established as a corporate Commonwealth entity by the *National Reconstruction Fund Corporation Act 2023* (NRFC Act) to diversify and transform Australia's industry and economy to secure future prosperity and drive sustainable economic growth. The NRFC's investment function, as described in the NRFC Act, is to provide finance in the form of debt, equity and guarantees for projects in the priority areas of the Australian economy.

The NRFC has \$15 billion available to invest and is required to operate on a commercial and self-sustaining basis, targeting a benchmark return of 2–3 per cent above the Australian Government bond rate over the medium to long term. Its investments are directed to eight declared priority areas: renewables and low emission technologies; enabling capabilities; defence capability; transport; value-add in resources; value-add in agriculture, forestry and fisheries; medical science; and industrial manufacturing and critical supply chains.

In April 2026, the Australian Government brought forward \$6.15 billion of concessional capital from within the NRFC's \$15 billion allocation to establish three sub-funds, which the NRFC administers alongside its General Fund:

- Economic Resilience Program: \$1 billion in zero interest loans for companies impacted by market disruptions such as rising fuel prices
- Net Zero Fund: \$5 billion in concessional finance to support large industrial facilities to transition to net zero and to support the manufacturing of low emissions technologies
- Forestry Growth Fund: \$150 million in concessional financing to support wood product manufacturing, including products used in housing construction.

The NRFC has disclosed 24 contracted investments totalling \$1.9 billion for the 2025–26 financial year. The most recent of those reports, for the quarter ended 30 June 2026, disclosed six investments totalling \$435.2 million in its General Portfolio and one for \$430.0m in its Economic Resilience Program. The NRFC has reported cumulative commitments of approximately \$2.5 billion since November 2024.

 [Refer to nrfc.gov.au](http://nrfc.gov.au) for more details.

Figure 79: Operating costs and expenses benchmark: comparison with Annual Reports^a

	CEFC 2025–26		Future Fund 2024–25 ^c		Export Finance 2024–25 ^{c,d}		NAIF 2024–25 ^c		Housing Australia 2024–25 ^c		NRFC 2024–25 ^c	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Employee benefit expenses												
Wages and salaries	52,235	60	110,219	20	37,794	57	10,126	55	35,536	31	12,114	43
Superannuation	4,005	5	7,982	1	4,330	7	1,071	6	4,120	4	1,256	4
Leave and other entitlements	2,627	3	4,003	1	1,700	3	373	2	1,884	2	718	3
Other expenses	459	1	–	–	2,300	3	–	–	542	–	86	–
Total	59,326	68	122,204	22	46,124	69	11,570	62	42,083	37	14,174	51
Board remuneration												
Wages and salaries	526	1	964	–	606	1	564	3	570	1	643	2
Superannuation	63	–	128	–	70	–	65	–	66	–	74	–
Total	589	1	1,092	–	676	1	629	3	635	1	717	3
Total employee and Board remuneration and benefits	59,915	69	123,296	22	46,800	70	12,199	66	42,718	38	14,891	53
Other operating expenses												
Professional fees and expenses	5,377	6	214,670	39	3,648	5	2,272	12	17,062	15	7,975	29
Other investment portfolio expenses	8,194	9	65,045	12	1,100	2	–	–	41,594	37	97	–
Travel and incidentals	2,046	2	4,653	1	1,100	2	798	4	425	–	464	2
Office facility costs	1,040	1	5,277	1	2,400	4	405	2	–	–	370	1
Insurance	344	–	652	–	900	1	62	–	650	1	74	–
Marketing and communications	1,177	1	–	–	1,500	2	247	1	336	0	210	1
Depreciation and amortisation	4,891	6	8,643	2	3,500	5	594	3	2,400	2	693	2
Auditors' remuneration	246	–	239	–	252	–	55	–	85	–	114	–
Administrative, IT and other expenses	3,975	5	133,653	24	5,200	8	1,922	10	8,606	8	3,072	11
Operating expenses (before interest, impairment and concession)	87,205	100	556,128	100	66,400	100	18,554	100	113,876	100	27,960	100
Other expenses												
Interest expense	548		–		554,300		8		88,577		52	
Provision for impairment	121,634		–		40,800		–		4,145		–	
Concessional loan discount ^b	3,339,373		–		–		–		90,819		–	
Total expenses	3,548,760		556,128		661,500		18,562		297,417		28,012	

Notes: Percentages as shown above may not add due to roundings.

a) Like-for-like comparisons are not strictly possible since different entities group and report costs differently.

b) Non-cash charge that reverses over the life of the underlying loans.

c) From 2024–25 Annual Report, the latest available at the time of preparing this report.

d) Costs are shown gross before national interest account allocation.

Appendix H – Commonwealth Climate Disclosures – Year 2 Requirements

Core requirement	Overview	Location
G0	Governance objective	Page 140–142: Commonwealth Climate Disclosure, Governance section.
G1(a)	Identify accountable authority	Page 140–141: Commonwealth Climate Disclosure, Corporate responsibility, accountability and reporting.
G1(a)i	Responsibilities of accountable authority	Page 140: Commonwealth Climate Disclosure, Structure and Accountability. Page 141: Climate governance and accountability structure.
G1(a)ii	Skills and competencies	Page 142: Commonwealth Climate Disclosure, Skills and capabilities.
G1(b)iii	Informing accountable authority	Page 140: Commonwealth Climate Disclosure, Corporate responsibility, accountability and reporting. Page 140: Commonwealth Climate Disclosure, Structure and Accountability. CEFC Climate-related risk and opportunity procedure, Appendix A roles and responsibility definitions, Page 10 Available on the CEFC website .
G1(a)iv	Strategy and risk management	Page 160: Commonwealth Climate Disclosure, Structure and Accountability. Page 149–159: Commonwealth Climate Disclosure, Risk, Risk management.
G1(a)v	Setting targets	Page 160: Commonwealth Climate Disclosure, Structure and Accountability. The CEFC Corporate Plan describes the Board's role in setting and monitoring objectives including climate-related targets.
G1(a)vi	Risk oversight	Page 160: Commonwealth Climate Disclosure, Structure and Accountability. The roles, responsibilities and membership of the Audit and Risk Committee and Executive Risk Committee are detailed in the respective Charters on the CEFC website . Climate risk management roles and responsibilities are set out in Appendix A roles and responsibilities of the Climate-related risk and opportunity procedure .
G1(b)	Controls and procedures	Page 140: Commonwealth Climate Disclosure, Structure and Accountability.
G2(a)	Regard to CROMP Approach	Page 140: Commonwealth Climate Disclosure, Structure and Accountability. Appendix B CEFC alignment with CROMP of the Climate-related risk and opportunity procedure illustrates where the CEFC enterprise Risk Management Framework aligns with the CROMP. Available on the CEFC website .
G2(b)	Alignment with other policies	Page 140: Commonwealth Climate Disclosure, Corporate performance metrics and targets.
S0	Strategy objective	Page 142–148: Commonwealth Climate Disclosure, Strategy section.
S1	Material information on climate risks and opportunities	Page 142–148: Commonwealth Climate Disclosure, Strategy section.

Core requirement	Overview	Location
S2(a)	Progressive implementation schedule	Page 150–160: Commonwealth Climate Disclosure, Climate-related risk assessment. Page 145–148: Commonwealth Climate Disclosure. Page 140: Commonwealth Climate Disclosure, Corporate-related impacts.
S2(b)	Physical and transition risks	Page 150–160: Commonwealth Climate Disclosure, Climate-related risk assessment. Page 145–148: Commonwealth Climate Disclosure. Page 144: Commonwealth Climate Disclosure, Corporate-related impacts.
S2(c)	Time horizon specification	Page 151: Commonwealth Climate Disclosure, Scenario timeframes.
S2(d)	Time horizon definition	Page 151: Commonwealth Climate Disclosure, Scenario timeframes.
S3(a)	Climate Risk and Opportunity Management Program or alternative methodology	The CEFC manages its climate-related risks and opportunities in line with CROMP. Refer to Appendix B of the CEFC Climate-related risk and opportunity procedure, available on the CEFC website. Page 140: Commonwealth Climate Disclosure, Structure and accountability.
S4(a)	Current and anticipated effects (operational model)	Page 152–160: Commonwealth Climate Disclosure, Climate-related risks assessment. Page 149–160: Commonwealth Climate Disclosure, Climate scenario analysis.
S4(b)	Concentration of effects (operational model)	Page 159: Commonwealth Climate Disclosure, Concentration of impacts.
S5(a)	Current and anticipated effects (public policy)	Page 145–148: Commonwealth Climate Disclosure, Climate-related risks and opportunities procedure. Page 145–148: Commonwealth Climate Disclosure.
S5(b)	Concentration of effects (public policy)	Page 152: Commonwealth Climate Disclosure, Geographic exposure. Page 152: Commonwealth Climate Disclosure, Figure 46.
S5(c)	Exemptions for impracticality	Page 140: Commonwealth Climate Disclosure, Structure and Accountability. CEFC Climate scenario analysis, Basis of preparation. Available on the CEFC website.
S6(a)	Response to climate-related risks and opportunities (strategy and decision-making effects)	Page 142–143: Commonwealth Climate Disclosure, Climate-focused investment strategy. Page 145–148: Commonwealth Climate Disclosure.

Appendix H – Commonwealth Climate Disclosures – Year 2 Requirements continued

Core requirement	Overview	Location
S6(c)	Transition plan/ Emissions reduction plan	Page 145–148: Commonwealth Climate Disclosure, Supporting the transition. Page 155–160: Commonwealth Climate Disclosure, Transition climate risk. Page 161–162: Commonwealth Climate Disclosure, Scope 3 emissions and plan.
S14(a)	Climate-related scenario analysis	Page 149–160: Commonwealth Climate Disclosure, Climate scenario analysis. Page 142–143: Commonwealth Climate Disclosure, Climate-focused investment strategy. Page 56–57: See Governance Section – Legislative and Government Information. CEFC Climate scenario analysis, Basis of preparation. Available on the CEFC website.
R0	Risk management objective	Page 150–151: Commonwealth Climate Disclosure, Risk Management.
R1(a)i	Risk assessment inputs and parameters	Page 149–160: Commonwealth Climate Disclosure, Climate scenario analysis. CEFC Climate-related risk and opportunity procedure. Available on the CEFC website. CEFC Climate scenario analysis, Basis of preparation. Available on the CEFC website.
R1(a)ii	Nature, likelihood and magnitude of effects	Page 149–160: Commonwealth Climate Disclosure, 3 Climate Risk Management at the CEFC, Risk Management. CEFC Climate-related risk and opportunity procedure, Climate Risk Evaluation.
R1(a)iii	Prioritising climate-related risks	All material risks to the organisation, including climate-related risks, are prioritised based on their residual risk rating against the CEFC Board Risk Appetite Statement, available on the CEFC website. The effects of identified climate-related risks are assessed using the likelihood, consequence, and severity criteria from the CEFC Risk Management Framework, available on the CEFC website.
R1(a)iv	Managing climate-related risks	Page 149–160: Commonwealth Climate Disclosure, Risk Management. Page 149–160: S2 Governance, Risk management. CEFC Climate-related risk and opportunity procedure. Available on the CEFC website.
R1(a)v	Monitoring climate-related risks	CEFC Climate-related risk and opportunity procedure. Available on the CEFC website .
R1(a)vi	Changes to risk management processes	Page 140: Commonwealth Climate Disclosure, Structure and accountability. Page 149–160: Commonwealth Climate Disclosure, Climate scenario analysis. Page 149: Commonwealth Climate Disclosure.

Core requirement	Overview	Location
R1(b)	Risk management processes	Page 142–143: Climate-focused investment strategy. Page 144: Commonwealth Climate Disclosure, Risk management. CEFC Climate-related risk and opportunity procedure. Available on the CEFC website.
R1(c)	Integration of processes	Page 140: Commonwealth Climate Disclosure, Risk management. CEFC Climate-related risk and opportunity procedure. Available on the CEFC website.
R2	CROMP	The CEFC manages its climate-related risks and opportunities in line with CROMP. Refer to Appendix B of the CEFC Climate-related risk and opportunity procedure, available on the CEFC website. Page 140: Commonwealth Climate Disclosure, Structure and accountability.
M0	Metrics and targets objective	Page 160–167: Commonwealth Climate Disclosure, Metrics and targets.
M1	Information on greenhouse gases	Page 160: Commonwealth Climate Disclosure, Corporate performance and outlook. Appendix I: Corporate GHG emission sources. Further information is provided on the APS Net Zero 2030 Target Factsheet.
M2	Cross-industry metrics	Page 155–158: Commonwealth Climate Disclosure, Transition risk scenario analysis assessment. Page 156: Commonwealth Climate Disclosure, Diagram CEFC portfolio transition risk exposure – heat map. Page 151–155: Commonwealth Climate Disclosure, Diagram Physical risk and geographic exposure. Pages 4–5: Investing to lower emissions across the economy. Page 23: Portfolio outcomes.
M3*	Climate-related metrics	Page 160: Commonwealth Climate Disclosure, Corporate performance and outlook. Appendix I: Corporate and Financed Emissions. Page 160: Corporate performance and outlook. Appendix I: Corporate and financed emissions – electricity. CEFC Financed and Corporate Emissions Basis of Preparation. Available on the CEFC website.
M4	Financed emissions	Page 163: Commonwealth Climate Disclosure, Financed emissions. Appendix I, pages 204 and 205: Corporate and financed emissions – asset classes and data completeness.

Appendix H – Commonwealth Climate Disclosures – Year 2 Requirements continued

Core requirement	Overview	Location
M5	Climate-related targets	Section 1, Performance: Corporate performance. Page 160: Commonwealth Climate Disclosure, Corporate performance and outlook. Further information is provided on the APS Net Zero 2030 Target Factsheet. Page 172: CEFC Ecologically sustainable development and environmental performance report.
M6	Approach to reviewing and monitoring targets	Page 160: Commonwealth Climate Disclosure, Corporate performance and outlook.
M7	Progress against targets	Page 161: Commonwealth Climate Disclosure, Figure 58: Progress against our net zero commitment.
M8	Target scope	Appendix I, page 202: Corporate and financed GHG emissions – electricity.
M9	Voluntary and obligatory targets	Page 163: Commonwealth Climate Disclosure, Figure 62: CEFC Corporate Scope 1 and 2 emissions.

* CCD disclosure requirement – M3(f) ii. Not mandatory in 2024–25. The CEFC is making a voluntary disclosure.

Appendix I – APS Net Zero Corporate GHG Emissions Reporting; Corporate and Financed Emissions

APS Net Zero 2030 is the Australian Government policy for the APS to reduce its greenhouse gas emissions to net zero by 2030. The APS Net Zero policy and section 516A of the *Environment Protection and Biodiversity Conservation Act 1999*, require all non-corporate Commonwealth entities, corporate Commonwealth entities and Commonwealth companies to publicly report on emissions from their operations.

The CEFC APS corporate emissions in 2025–26 totalled 361 tCO₂-e. The following tables set out corporate emissions under both the market- based and location-based approaches. For further information on these approaches, see *APS Net Zero Corporate GHG Emissions Reporting* section on page 160.

Corporate GHG emission sources

The APS Greenhouse Gas Emissions Inventory below presents greenhouse gas emissions over the 2025–26 period. The following greenhouse gases are included in the APS Net Zero Emissions Reporting Framework: carbon dioxide (CO₂); methane (CH₄); nitrous oxide (N₂O); hydrofluorocarbons (HFCs); perfluorocarbons (PFCs); sulphur hexafluoride (SF₆); and nitrogen trifluoride (NF₃).

Figure 80: APS 2025–26 Greenhouse Gas Emissions Inventory – location-based method

Emission source	Scope 1 t CO ₂ -e	Scope 2 t CO ₂ -e	Scope 3 t CO ₂ -e	Total t CO ₂ -e
Electricity (Location-based method)*	N/A	89.71	8.09	97.80
Natural gas	0.0	0.0	0.0	0.0
Solid waste**	0.0	N/A	11.90	11.90
Refrigerants***	0.0	N/A	N/A	0.0
Fleet and other vehicles	0.0	N/A	0.0	0.0
Domestic commercial flights	N/A	N/A	215.68	215.68
Domestic hire car****	N/A	N/A	0.0	0.0
Domestic travel accommodation	N/A	N/A	35.36	35.36
Other energy	0.0	N/A	0.0	0.0
Total t CO₂-e	0	89.71	271.03	360.74

Note: The table above presents emissions related to electricity usage using the location-based accounting method. CO₂-e = Carbon dioxide equivalent.

* Emissions related to electricity usage pursuant to the location-based accounting method.

** FY26 waste quantities are calculated by combining actual measured data where available (Sydney and Melbourne offices), extrapolating partial-year actuals to full-year estimates, apportioning whole-building waste data by tenancy floor space share (Brisbane office), and estimating office waste using FTE headcount multiplied by per-FTE waste rates from offices with actual data (Perth office). The quality of data is expected to improve over time as emissions reporting matures.

*** Reporting on refrigerants is being phased in over time, subject to data availability. Refer to the Emissions Reporting Framework for more details.

**** Emissions from hire cars for 2025–26 have been sourced from third party providers and does not include trip distance-related data. In 2026–27, we will explore methods and a process for estimating distance travelled to enable emissions reporting. As such, this is not calculated within the Emissions Reporting Framework.

Appendix I – APS Net Zero Corporate GHG Emissions Reporting; Corporate and Financed Emissions continued

Figure 81: APS 2025–26 electricity greenhouse gas emissions

Emission source	Scope 2 t CO ₂ -e	Scope 3 t CO ₂ -e	Total t CO ₂ -e	Electricity kWh
Location-based electricity emissions	89.71	8.09	98.70	136,149.60
Market-based electricity emissions	0.0	0.0	0.0	–
Total renewable electricity¹	N/A	N/A	N/A	155,048.27
Renewable Power Percentage ²	N/A	N/A	N/A	23,540.27
Jurisdictional Renewable Power Percentage ³	N/A	N/A	N/A	–
GreenPower	N/A	N/A	N/A	80,508.00
Large-scale Generation Certificates	N/A	N/A	N/A	51,000.00

Note: The table above presents emissions related to electricity usage using both the location-based and the market-based accounting methods. CO₂-e = Carbon dioxide equivalent. Electricity usage is measured in kilowatt hours (kWh).

1. Excludes behind the meter solar other than generation used to create large scale generation certificates (LGCs).

2. The renewable power percentage (RPP) accounts for the portion of electricity used, from the grid, that falls within the Renewable Energy Target (RET).

3. The Australian Capital Territory is currently the only state with a jurisdictional renewable power percentage (JRPP).

Corporate GHG emissions – electricity

Below is a comparison showing the difference in emissions using the location-based and market-based methods.

- **Location-based method:** The location-based method provides a picture of a business’ electricity emissions in the context of its location, and the emissions intensity of the electricity grid it relies on. It reflects the average emissions intensity of the electricity grid in the location (State) in which energy consumption occurs. The location-based method does not allow for any claims of renewable electricity from grid-imported electricity usage.
- **Market-based method:** Shows a business’ electricity emissions in the context of its investments in different electricity products and markets. The method assigns an emissions factor of zero for a business’ sourcing of renewable electricity and uses a residual mix factor to calculate emissions from any remaining electricity consumption.

In addition to reporting against the APS Net Zero Target, the CEFC calculates and reports corporate GHG emissions covering a broader set of emissions sources. These emission sources are consistent with the boundary established by CEFC prior to disclosures against APS Net Zero Emissions reporting.

CEFC additional sources of emissions external to the APS Boundary amounted to 2,560 t CO₂-e, all relate to scope 3 activities.

Figure 82: 2025–26 Greenhouse Gas Emissions inventory – additional emissions sources not included in APS Net Zero boundary

Emission source	Scope 1 t CO ₂ -e	Scope 2 t CO ₂ -e	Scope 3 t CO ₂ -e	Total t CO ₂ -e	GHG Protocol Category
Purchased goods and services	N/A	N/A	1,858.2	1,858.2	Scope 3, Category 1
Capital goods	N/A	N/A	327.0	327.0	Scope 3, Category 2
Upstream Transport and Distribution	N/A	N/A	1.1	1.1	Scope 3, Category 4
Business travel (international)	N/A	N/A	227.6	227.6	Scope 3, Category 6
Employee commuting/working from home	N/A	N/A	146.2	146.2	Scope 3, Category 7
Additional emission sources t CO₂-e	N/A	N/A	2,560.2	2,560.2	
APS Greenhouse Gas Emissions Inventory t CO₂-e	0.0	–	360.7	360.7	
CEFC's total corporate emissions* t CO₂-e	0.0	–	2,920.9	2,920.9	

* For further details on CEFC's emissions reporting boundary, refer to Finance and corporate emissions basis of preparation. Note that investments (Category 15) are excluded from our corporate emissions boundary, refer to CEFC financed emissions reporting.

The CEFC voluntarily purchases and retires Australian Carbon Credit Units (ACCUs) to offset its corporate GHG emissions (exc. Category 15) consistent with the emissions boundary as outlined in our Basis of Preparation. 2,922 ACCUs were retired to cover the 2025–26 financial year. The ACCUs retired were from the Oriniers & Shefton and Batavia projects.

Figure 82 includes the historical GHG emissions data from 2016–17 to present.

Figure 83: Corporate Greenhouse Gas Emissions over time

Year	Total corporate GHG emissions Scope 1, 2 and 3 (exc. Cat. 15) t CO ₂ -e	Notes on approach
2016–17	1,051	Climate Active certified
2017–18	1,140	Climate Active certified
2018–19	1,348	Climate Active certified
2019–20	975	Climate Active certified
2020–21	669	Climate Active certified
2021–22	828	Climate Active certified
2022–23	2,136	Climate Active certified
2023–24	1,873	Calculated in-house using third-party emission factor databases, based on spend
2024–25	2,173	Calculated in-house using third-party emission factor databases, based on spend
2025–26	2,921**	Calculated in-house using third-party emission factor databases, based on spend

Notes:

* International flights excluded.

** Refrigerants are not captured within our corporate emissions due to a lack of data and deemed immateriality.

Appendix I – APS Net Zero Corporate GHG Emissions Reporting; Corporate and Financed Emissions continued

Financed emissions – asset classes and data completeness

This section provides additional information in support of the financed emissions calculations for the 2024-25 year (CEFC reports financed emissions with a one-year lag to the current financial year). The data collection, calculation methodology, data quality scoring and reporting procedures are largely in line with the Partnership for Carbon Accounting Financials Global GHG Accounting and Reporting Standard – Part A, Version 3. The CEFC is a signatory of PCAF, and CEFC annual disclosures will be published on the PCAF website. Further information can be found in our Financed Emissions basis of preparation, available on the [CEFC website](#).

Data completeness

As of 30 June 2025, the CEFC held 183 active investments. Five of these investments were excluded from the calculations as the available data was not sufficient to make a reasonable estimate of emissions. Twelve of the investments could not be calculated as there is not currently a relevant available PCAF method.

Figure 84: CEFC portfolio by PCAF asset class

PCAF asset class	Number of investments	Financed emissions Scope 1 + 2 (t CO ₂ -e/year)	Financed emissions Scope 3 (t CO ₂ -e/year)	CEFC total commitment less repayments (\$m)	Emission intensity (t CO ₂ -e/\$m)
Business loans and unlisted equity	80	85,869	563,650	3,361	26
Listed equity and corporate bonds	2	22,154	224,924	190	117
Commercial real estate	6	1,267	6,349	422	3
Project finance	45	24,683	74,452	5,318	5
Securitisation and structured products	33	9,827	11,131	2,014	5
No PCAF methodology	12	–	–	395	–
Data gaps	5	–	–	177	–
Grand total	183	143,801	880,506	11,877	12.1

* Totals may differ from sum of line items due to rounding.

Figure 85: Financed emissions – data completeness

	Number of investments	CEFC – total commitment less repayments (\$m)	Investments % (no.)	Investments % (\$)
Complete	166	11,305	91%	95%
Reported/estimated emissions	152	10,159	83%	86%
Reported zero emissions, or deemed zero emissions ¹	14	1,146	8%	10%
Declared data gap	5	177	3%	1%
No PCAF methodology	12	395	7%	3%
Total	183	11,877	100%	100%

1. Select CEFC investments are deemed zero emissions based on the technology or lifecycle phase. More information on criteria for deeming investments as zero emissions is provided in the Financed Emissions – Basis of preparation, available on the CEFC website.

Figure 86: Key data parameters – financed emissions

Data period	2024–25	Comments
Portfolio coverage	95%	95% of investments by commitment (\$). 91% of investments by number. – 3% investments excluded due to lack of data – 7% investments excluded due to lack of PCAF methodology – 8% investments deemed zero emissions.
Level of assurance	No independent assurance	No independent assurance is provided on CEFC financed emissions for 2024–25.
Scope 3 emissions	Included	
Lifetime emissions (optional)	Excluded	The CEFC has not estimated lifetime emissions for its 2024–25 portfolio. The CEFC may investigate opportunities to include this component in coming years.
Attribution methodology		The calculation of attribution has been completed largely in line with the PCAF Standard version 3. Information on the application of the standard and specific attribution methodologies is provided in the Financed Emissions basis of preparation, available on the CEFC website.
Disaggregation of CIPL		In the CEFC Annual Report 2025, the CEFC indicated that financed emissions for CEFC Investments Pty Limited (CIPL), the sole CEFC wholly owned subsidiary was expected to be disaggregated and reported separately in the 2025–2026 disclosure. On review of reporting requirements and materiality of the disaggregation of CIPL compared to the rest of the CEFC portfolio, the CEFC will continue to report the CIPL and CEFC portfolio in aggregate. All CIPL investments are included in the CEFC reported financed emissions for 2024–25.

Glossary

This table includes acronyms, abbreviations and technical terms used in the Annual Report.

Term	Description
ACCU	Australian Carbon Credit Unit
AHF	Advancing Hydrogen Fund
CCD	Commonwealth Climate Disclosure
CEFC	Clean Energy Finance Corporation
CEIF	Clean Energy Innovation Fund
CIS	Capacity Investment Scheme
Climate tech	Companies and technologies with innovative approaches to emissions reduction
CO ₂ -e	Carbon dioxide equivalent
DCCEEW	Department of Climate Change, Energy, the Environment and Water
Energy efficient technologies	Technologies, including enabling technologies, related to energy conservation and demand management
ESD Principles	Ecologically Sustainable Development Principles
ESG	Environmental, Social and Governance includes an approach to measuring and reporting on an organisation's impact
Follow-on investment commitment	Subsequent or additional CEFC investment in an existing portfolio fund, project or business
HEUF	Household Energy Upgrades Fund
ISP	Integrated System Plan, for the National Electricity Market
KMP	Key management personnel
Lifetime commitments	Total investment commitments since the CEFC began investing in 2013
Low emissions technologies	Technologies that result in CO ₂ -e emissions being substantially lower than relevant baseline activities
Natural capital	Refers to CEFC investments in agriculture and land
NEM	National Electricity Market, an electricity network covering Australia's eastern and south-eastern states
PATF	Powering Australia Technology Fund
PCAF	Partnership for Carbon Accounting Financials
Renewable energy technologies	Includes solar and wind, as well as enabling technologies related to renewable energy generation, including battery storage and transmission
PBS	Portfolio Budget Statement
RTN	Rewiring the Nation
SIFs	Specialised Investment Funds: refer to specific capital allocations to priority areas detailed in the Clean Energy Finance Corporation Investment Mandate Direction 2023

Index

A

ACCU: Australian Carbon Credit Units 9, 17, 60, 161, 162, 203, 206

ACERZ 171, 183

Acknowledgement of Country 3

AEMO: Australian Energy Market Operator 16, 57, 127, 182

Agile Energy 20

AHF: Advancing Hydrogen Fund 4, 7, 21, 25, 47, 66–68, 72, 74, 85, 127, 206

Annual Performance Statements 26, 27, 176, 180

asset finance 9, 14, 22, 23, 43, 151, 181, 183

Australian Ethical Growth Opportunities Fund 15, 106

Australian Public Service Net Zero 2030 policy 140

Aviva Investors 17

B

Bank Australia 9, 17

Battery 5, 15, 16, 18, 20, 57, 167, 171, 181–183, 206

Board 2, 7, 9, 26, 27, 30, 31, 34–42, 45–56, 77–79, 85, 86, 91, 111, 112, 121, 127, 140–142, 160, 178–180, 185, 187, 188, 190, 191, 193, 195, 196, 198

Brighte 18

C

capital allocation 31, 160, 171, 206

carbon sequestration 5, 9, 17, 50, 142, 143

Carmody's Hill Wind Farm 16

CCD: Commonwealth Climate Disclosure 2, 87, 140–167, 173, 196–200, 206

CEFC Act: Clean Energy Finance Corporation Act 2, 24, 26, 34, 35, 43, 47, 49, 54, 55, 58, 85, 86, 110, 142, 143, 172, 178, 179, 193

CEFC Investment Mandate Direction 26, 34, 55, 67, 68, 179, 206

CEIF: Clean Energy Innovation Fund 7, 21, 25, 47, 50, 52, 66–68, 72–74, 85, 106, 127, 206

CIS: Capacity Investment Scheme 16, 57, 206

Code of Conduct and Ethics 48, 184, 188

Commitments, 2025–26 5, 6, 8, 12–18, 20, 21, 23, 24, 28, 29, 64, 68, 69, 71, 75, 109, 116, 122, 136, 137, 150, 151, 153, 155, 156, 168, 169, 173, 181–183

Commitments, lifetime 6, 8, 14, 17, 64, 69, 206

Concessional finance 9, 13, 24, 85, 194

Corporate plan 27–31, 35, 140, 142, 143, 147, 148, 160, 176, 196

CSIRO 18

CWO-REZ: Central West Orana Renewable Energy Zone 171, 183

D

DCCEEW: Department of Climate Change, Energy, the Environment and Water 56, 95, 110, 167, 193, 206

DeBelle Dr, Guy, CEFC Board 36, 42, 112, 191

Decarbonisation, CEFC 3, 4, 6, 15, 17, 19–21, 26, 43, 85, 142, 144, 147, 148, 159, 160, 164, 165, 167, 168, 171–173

E

employees 48, 51, 56, 83, 115, 135, 137, 162, 176, 184–190, 193

Erratum, Statement of 55

ESG: Environmental, Social and Governance 35, 38, 40, 41, 47, 50, 140, 146, 168–173, 206

Every, Simon, Chief Corporate Affairs Officer 44, 50, 112, 191

Executive 9, 40, 43–52, 56, 77, 79, 111, 141, 177, 178, 187–192, 196

Export Finance Australia 85, 193, 194

F

Financial outcomes 7, 24, 145, 172

Financial Statements 56, 68, 77–83, 86–88, 90, 112, 119, 121, 123, 125, 178

Five V Capital 20

Future Fund Management Agency 193

G

General Portfolio 4, 7, 12, 14, 24, 25, 28, 30, 47, 53, 65, 67–71, 85, 106, 110, 127, 136, 137, 179, 180, 194

George Dr, Kate, CEFC Board 7, 36, 37, 42, 112, 185, 191

Great Cumbung, The 9, 17

Gresham House 17

H

HEUF: Household Energy Upgrades Fund 9, 18, 25, 47, 56, 66–68, 72, 74, 85, 95, 110, 127, 136, 137, 147, 156, 157, 206

Housing Australia 85, 193–195

Hyundai Capital Australia 15

I

investment commitments 6, 8, 12–14, 18, 21, 23, 24, 167–169, 173, 181, 183, 206

Investment Mandate 24, 26, 34, 47, 53, 55, 67, 68, 85, 86, 127, 142, 143, 147, 160, 179, 180, 193, 194, 206

investment outcomes 22, 142, 143, 170

investment priorities 142, 143

IP Group Climate Catalyst Fund 20

ISP: Integrated System Plan 16, 57, 127, 206

Index continued

J

Jones AM, David, CEFC Board 37, 42, 112, 191

L

Learmonth, Ian, Chief Executive Officer 7-9, 43, 50, 79, 112, 191

Leong, Sara, Chief Asset Management Officer 44, 50, 112, 191

Letter of Transmittal 2

Lonergan, Rory, Chief Investment Officer – Infrastructure and Alternatives 44, 50, 112, 191

Low carbon liquid fuels 31, 56, 160

M

MAKO 21

Marinus Link 13

McCartney, Paul, Chief Investment Officer – Rewiring the Nation 7, 8, 45, 50, 112, 191

McDonald, Leanne, Chief People and Culture Officer 45, 50, 112, 191

Miller, Monique, Chief Investment Officer – Renewables and Sustainable Finance 45, 50, 112, 191

N

NAIF: Northern Australia Infrastructure Facility 85, 193-195

Nari Nari Tribal Council 9, 17

National Australia Bank 46, 171

National Reconstruction Fund Corporation 85, 193-195

natural capital 1, 3, 5, 14, 15, 17, 28, 29, 31, 142, 146, 148, 152, 153, 159, 167, 206

North West Transmission Developments 13

O

Octopus Australia 106, 182, 183

organisational structure 49-54, 176

P

PATF: Powering Australia Technology Fund 4, 19-21, 25, 47, 66-68, 72, 74, 85, 95, 106, 127, 206

PGPA Act: The Public Governance, Performance and Accountability Act 2013 2, 26, 35, 48, 55, 56, 77, 79, 86, 116, 140, 141, 176-179, 190

People and Culture Committee 27, 36-38, 40, 42, 50-52, 190

Performance statement and analysis 26-31, 176, 178, 180

Plico 18, 183

Powell, Andrew, Chief Financial Officer 46, 50, 79, 112, 191

procurement 58-61

Q

QIC Global Infrastructure Fund II 15

R

realised investments 181-183

Reconciliation Action Plan 185

Renewable Metals 21

Repayments and returns 6, 23, 24, 26, 65, 67, 83, 109, 135-137, 143, 163, 180, 183, 204, 205

Risk Management Framework 52, 188, 189, 196, 198

River Capital 9, 17

RTN Fund: Rewiring the Nation Fund 5, 7, 12, 14, 24, 25, 28, 29, 40, 45, 47, 49, 53, 57, 61, 65, 66, 68, 71, 75, 76, 85, 86, 91, 95, 110, 119, 127, 136, 137, 167

S

Scape Australia 15

SIFs: Specialised Investment Funds 14, 25, 65-67, 71-74, 127, 206

Skala AO, Steven, CEFC Board Chair 2, 7, 9, 36, 42, 79, 112, 191

Slattery, Andrea, CEFC Board member 38, 42, 112, 191

Sunswap 1, 21

SwarmFarm Robotics 20, 171

T

Tiwi Islands 9, 17

Tolson, Jay, Chief Operating Officer 46, 50, 112, 191

Tough, Samantha, CEFC Board 38, 42, 112, 191

Transgrid 112

V

Values, CEFC 48, 50, 52, 190

Virescent Ventures 21, 43, 44, 60, 112, 183

VNI West: Victoria-NSW Interconnector 182

Volkswagen Financial Services Australia 15

Volvo Group 15

W

Wakefield Evans AM, Nicola, CEFC Board 39, 42, 79, 112, 191

Whalen, Craig, Chief Risk Officer 46, 112, 191

Workplace Health and Safety Report 188

X

Xefco 21

Z

Zenobē Australia 15, 182



Cover stock: Impact is a 100% Recycled uncoated paper made Carbon Neutral.
Text stock: Revive Laser is 100% Recycled and is manufactured from FSC® Recycled certified fibre.
Certified Carbon Neutral by the Department of Environment under the National Carbon Offset Standard (NCOS) and produced by a ISO 14001 certified mill.

**Sydney**

Level 22
1 Bligh Street
Sydney NSW 2000

Brisbane

Level 52
111 Eagle Street
Brisbane QLD 4000

Melbourne

Level 37
80 Collins Street
Melbourne VIC 3000

Perth

Level 21
197 St Georges Terrace
Perth WA 6000

Contact officer

Mr S G Every, Chief Corporate Affairs Officer,
Clean Energy Finance Corporation

info@cefc.com.au

© Copyright Clean Energy Finance
Corporation 2026

Clean Energy Finance Corporation
ABN: 43 669 904 352

cefc.com.au