

# Delivering on Australia's net zero ambitions

CEFC Investment Update: 2024–25





# CEFC capital drives \$25.7 billion investment in net zero future



**At the CEFC we have clear and direct guidance on our purpose. In investing on behalf of all Australians, we are required to “*facilitate increased flows of finance into the clean energy sector and to facilitate the achievement of Australia’s greenhouse gas emissions reduction targets*”. Our investment activities in the 2024–25 year provide compelling evidence of our commitment to this purpose.**

## A story of scale

For the CEFC, the year was record breaking in more ways than one: from our largest ever transactions in transmission, to the accelerating net zero ambitions of our co-investors, across natural capital, property and resources. It was also a year when Prime Minister Anthony Albanese and Minister for Climate Change and Energy Chris Bowen made an additional allocation of \$2 billion to support ongoing investment commitments via the CEFC General Portfolio.

The quality and market-leading nature of our investments help ensure Australia’s place in the global race for capital, with a broad range of leading institutional investors – both global and Australian-based – investing alongside the CEFC to minimise the impacts of climate change.

## A story of impact

While the economy-shaping impact of our larger-scale transactions is clear, it does not tell the full story of this year’s investment commitments.

We are also using our considerable capital allocation to deliver more direct and immediate benefits to households, vehicle owners, smaller businesses and farmers. By providing access to discounted CEFC finance, we are paving the way for an increasing number of Australians to cut their individual carbon footprint in their everyday activities – and tapping into emerging consumer sentiment in favour of measures to address climate change.

## A story of leverage

In the 12 months to 30 June 2025, we delivered 43 transactions, committing \$4.7 billion to Australia’s clean energy future, more than 2.5 times the value of the \$1.8 billion of CEFC commitments in the 2023–24 year.

Perhaps more notably, every dollar of CEFC capital committed in the 12 months was matched by an additional \$4.14 from co-investors, taking the total value of CEFC-related investment commitments to \$25.7 billion in a single reporting year. This robust rate of leverage underscores the central role of CEFC capital in catalysing additional clean energy investment across our economy.

## Our thanks and appreciation

If this exciting record-breaking year demonstrates anything, it is the power of working with committed and innovative co-investors to supercharge the reach and impact of CEFC capital.

In that context, and on behalf of everyone at the CEFC, I am proud to acknowledge the contribution of all our stakeholders in the important work of Australia’s ‘green bank’. We look forward to your continued involvement in investing alongside our public capital to deliver on Australia’s net zero emissions ambitions.

**Ian Learmonth**  
Chief Executive Officer, CEFC

# Investment overview: 2024–25

By any measure, the 2024–25 year was one of turbulence, whether considered through the lens of global and domestic markets, threats to international security or the uncertainty of technological advance, including through the remarkable rise of AI.

As we have seen over the past decade or more, the disruption of climate change has provided an all-too-familiar drumbeat beneath this turbulence.

Despite these challenges, Australia is seeing robust investor commitment to the clean energy transformation. In fact, nearly all asset managers (93 per cent) and asset owners (95 per cent) are integrating climate risks and opportunities into general investment practices compared with 73 per cent and 82 per cent respectively just a year earlier.<sup>1</sup>

This heightened focus, despite the prevailing turbulence, is cause for confidence in our ability to access the required capital to underpin our transition to net zero emissions by 2050.

The CEFC benefited from this strong market interest in making a record \$4.7 billion in new and follow-on investment commitments in the 12 months to 30 June 2025.

The CEFC investments, across 43 transactions, will drive modernisation of our electricity grid while also helping households reduce their energy costs. Our large-scale investments in renewable energy and energy storage complement our market-leading focus on the natural capital sector, as well as our backing for Australia's exciting climate tech innovators. New CEFC commitments are also providing impetus to net zero ambitions in transport, property and resources.

CEFC Investment  
1 July 2024–30 June 2025

**\$4.7b**

CEFC commitments

**\$25.7b**

Total transaction value

**43**

Transactions

**\$4.14:\$1**

Capital leverage

1. The State of Net Zero Investment 2025, IGCC.

# Addressing national policy priorities

With access to more than \$32 billion in capital from the Australian Government, CEFC investment commitments in 2024–25 addressed a broad range of national policy priorities in pursuit of net zero emissions by 2050.



Through the **Rewiring the Nation Fund**, the CEFC made investment commitments of \$2.8 billion, backing priority transmission projects across a substantial part of the National Electricity Market. These three transactions were the largest since the CEFC began investing.



Year-on-year investment commitments in **renewable energy-related opportunities** increased by 2.5 times in the reporting year, to a record \$3.5 billion, against \$1.3 billion a year earlier. This reflects the scale of transmission investment over this period. With lifetime commitments to renewable energy of \$11 billion at 30 June 2025, CEFC capital is backing both large and small-scale generation and storage capacity, as well as transmission.



Economy-wide investment commitments through the **General Portfolio** included renewable energy generation and storage, property, natural capital, transport and small-scale asset finance. The Australian Government increased the capital allocation for the General Portfolio to \$11.5 billion in the reporting year.



Households have access to \$305 million in discounted CEFC finance to improve the sustainability of their homes, with four new transactions via the **Household Energy Upgrades Fund™**.



Four new investment commitments through the **Powering Australia Technology Fund** provided \$93.4 million in CEFC investment capital to climate tech businesses and funds. The transactions attracted strong market interest, taking the transaction value to more than \$400 million, a significant lift in the capital available to the climate tech sector.



Through our work with established co-financiers, we saw more than \$840 million in CEFC and third-party capital used to finance in excess of 23,700 **smaller-scale asset finance** projects, which are available for commercial, agricultural and residential purposes.<sup>1</sup>

1. Represents latest available data to 31 March 2025.



# Investment approach

## Capital deployed

The urgency of the climate challenge requires the timely deployment of capital once investment decisions are made. From a CEFC perspective, our goal is to accelerate the impact of our capital by ensuring that project proponents and co-investors have the necessary capital to progress their emissions reduction ambitions. Timely capital deployment has the added benefit of contributing to economic activity. Throughout the 2024–25 year, the CEFC maintained a sustained pace of capital deployment, which reached \$2.9 billion to 30 June 2025. Lifetime deployment was \$14.6 billion.

## Capital returned

The CEFC is required to invest with commercial rigour, with the goal of delivering a positive return across the investment portfolio over time. This approach is reflected in the \$5.9 billion received in lifetime repayments and returns on CEFC investment commitments to 30 June 2025, including returns of \$827 million in the most recent 12 months. This capital is available for reinvestment.

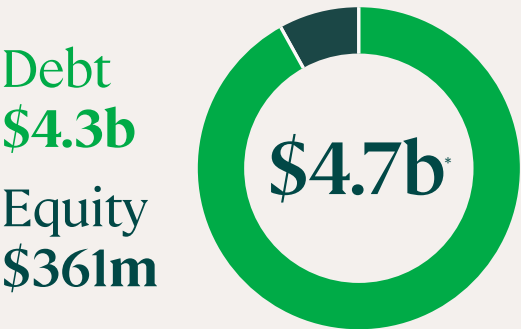
## Portfolio composition

The CEFC continued to offer tailored solutions to accelerate investment in 2024–25. These may be in the form of direct debt or equity, listed and unlisted funds, sustainability-themed bonds, and small-scale asset finance delivered via established co-financiers. Of the \$4.7 billion in investment commitments in the 2024–25 year, \$4.3 billion was in the form of debt, with the balance of \$361 million in equity.

## Additional capital allocation

During the reporting year, Prime Minister Anthony Albanese and Minister for Climate Change and Energy Chris Bowen announced a \$2 billion additional capital allocation to the CEFC General Portfolio, taking its total investment capacity to \$11.5 billion for investments backing renewable energy generation and storage, property, transport, infrastructure and natural capital.

## Portfolio composition



\*Investment commitments 2024–25

# Maximising our impact

## CEFC lifetime investment commitments to 30 June 2025 reached \$18.3 billion, almost double the value of our original \$10 billion capital allocation.

Perhaps more significant is the total value of these investment commitments, which reached \$85.3 billion across more than 400 large-scale transactions to 30 June 2025. This represents an additional \$3.55 in investment for each dollar of CEFC capital. Notably, it includes more than \$3 billion in CEFC and third-party capital to support discounted finance programs for in excess of 95,000 smaller-scale asset finance projects across the economy.<sup>1</sup>

By working alongside co-investors – and specifically not competing with them – the CEFC is using our capital to shape new investment models and provide market certainty in a manner which recognises the urgency of the climate challenge.

This clear focus is critical if Australia is to access the capital required to achieve net zero emissions by 2050. Even with the considerable investment run rate of the past decade, Australia requires greater ongoing investment in renewables and long-duration storage, clean energy affordability for consumers and measures to cut emissions in so-called ‘hard-to-abate’ sectors, including land, the built environment and transport.

### CEFC lifetime investment to 30 June 2025

**\$18.3b**  
CEFC commitments

**>400**  
Transactions

**\$85.3b**  
Total transaction value

**\$3.55:\$1**  
Capital leverage

1. Represents latest available data to 31 March 2025.

# Investment landscape: adjusting to the new normal

At the mid-point of the decade, we see evidence that investors are adjusting to a 'new normal' across the broader investment landscape. It is one where the urgency of climate change is competing for attention in a market characterised by turbulent economic, security and technological challenges.

As a specialist investor – focused on closing market gaps and building investor confidence in untested opportunities – the CEFC continues to operate at the centre of these market realities, including using our capital to crowd in substantial additional capital from co-investors.

Discussion about emissions reduction – whether at the national or global level – is complex and usually contested. We see substantial decarbonisation-related investment opportunities ahead, particularly across the energy generation and electricity sectors, in carbon markets and sequestration, and in the electrification of transport. These areas represent the largest source of our emissions.

Investment at this scale promises substantial economic and employment benefits across Australia, strengthening our economy for a net zero future while making critical progress towards decarbonisation.

We are proud to report that CEFC capital has already played a key role in catalysing some \$85.3 billion in new investment in decarbonisation. Existing CEFC investment commitments, as well as our investment pipeline, underscore the continued importance of our investment activities, as Australia's 'green bank'.

## Investments by technology 2024–25

\$3.5b

Renewable energy

\$470m

Energy efficiency

\$718m

Low emissions technology

## About the CEFC

The CEFC is Australia's specialist climate investor, helping cut emissions in the race towards net zero by 2050. We invest in the latest technologies to generate, store, manage and transmit clean energy. Our discounted asset finance programs help put more Australians on the path to sustainability, in their homes and on the road. CEFC capital is also backing the net zero transformation of our natural capital, infrastructure, property and resources sectors, while providing critical capital for the emerging climate tech businesses of tomorrow. With access to more than \$32 billion from the Australian Government, we invest to deliver a positive return for taxpayers.

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## Acknowledgement of Country

The CEFC acknowledges the Traditional Owners and Custodians of this land, and we pay our respects to all Elders, past and present.

We recognise their continuing connections to country, water and culture.

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