

# Accelerating towards net zero

Everywhere. Every day.



Annual Report  
2024–25



Australian Government

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**The CEFC has a unique place in Australia.  
We're investing as our nation's 'green bank'  
to help counter the effects of climate change.**

**It's about creating a sustainable future for  
households, businesses, farmers and climate  
tech innovators, so that we thrive in the net zero  
economy of our future. As a specialist investor,  
we see this ambitious and exciting nation-building  
transformation delivering benefits right across  
our economy. **Everywhere. Every day.****



Australian Government



15 September 2025

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 2024–25**

On behalf of the Board and Management of the CEFC, I am pleased to present the *Clean Energy Finance Corporation Annual Report 2024–25*.

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 15 September 2025 in accordance with a resolution of the Board of the CEFC at its 144<sup>th</sup> meeting held on 27 August 2025.

There were no exemptions from reporting requirements sought or granted.

Yours sincerely,

**Steven Skala AO**  
Chair

#### **Clean Energy Finance Corporation**

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## 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 technologies to generate, store, manage and transmit clean energy. We back the net zero transformation of our natural capital, infrastructure, property, transport and resources sectors. And our discounted asset finance programs help put more Australians on the path to sustainability, in their homes and on the road, in business and on the farm. With access to more than \$33 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 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. 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. We appreciate that the objective of lowering emissions will benefit from an inclusive society that recognises the rich histories, cultures and contributions of First Nations peoples.



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

## A message from the Chair

# Marshalling our financial firepower

**At the mid-point of the decade, it is right to consider where we stand on the urgent questions of our energy transition. The recent record shows that energy prices remain a persistent concern and will continue to be so. It is a sobering reality. But not the full reality.**

The recent record also shows that Australia's emissions have declined, clean energy investment has ramped up, and a surge in renewable energy generation and storage has added 4.4 GW of clean energy to the grid, double the previous comparable period. In parallel, there are more electric vehicles on Australia's roads, remarkable technological innovation deployed across our farming, manufacturing and property sectors, and increasing interest in transparency and accountability around climate impacts.

### Decarbonisation consensus

The decarbonisation imperative has broad societal consensus. Issues remain as to timing, methodology and consequence. What seems certain is that properly structured, future generations should have the benefit of relatively cheaper energy after capital costs are amortised, and operating costs are met. Perhaps less certain is whether the transition process risks rendering society (or parts thereof) less prosperous while capital costs are being recouped, and if this is to be the case, who bears the burden of the "prosperity gap" and how this is to be dealt with.

### Investing in Australia-wide decarbonisation

In the eight years I have served as Chair of the CEFC Board, the decarbonisation imperative has been a powerful motivator for the Board, Executive and Staff, and the broader market. As a key delivery arm of Government policy, the CEFC is charged with investing ahead of the market, drawing in vital capital to underpin Australia's decarbonisation objectives.

In this context, I can report that the CEFC completed groundbreaking investment activity in the 2024–25 year, marshalling our financial firepower to commit a record \$4.7 billion in investment capital, working with co-investors to catalyse a remarkable \$25.7 billion in total investment in a single year.

### Strengthening our energy grid

Substantial transactions through the Rewiring the Nation (RTN) Fund were transformative in terms of the size and shape of the CEFC portfolio. These investments aim to strengthen our energy grid, connecting renewable energy and large-scale energy storage to key demand centres. Illustratively, Marinus Link, the Tasmania–Victoria interconnector, is a key part of this future grid, bringing together Tasmania's vast hydro resources and the growing renewable energy and storage capacity of the mainland. The CEFC made substantial progress in relation to this large project in 2024–25, with an expected commitment of \$3.8 billion in debt finance that reached contractual close shortly after year end.

The CEFC welcomes the significant market interest in these complex and long-term projects. While substantial, CEFC investments through the RTN Fund represent perhaps 25–30 per cent of the forecast total required capital expenditure, with the balance backed by private and third-party capital. This additional capital benefits from the bespoke structure of CEFC investments.

In the last two reporting years, the provision of CEFC concessional finance resulted in an accounting charge of \$431 million, largely related to RTN Fund transactions, reflecting the requirements of the CEFC's Investment Mandate. It is important to note that the CEFC has structured concessional finance so that the benefit of the concession primarily flows to consumers. The CEFC also embraced measures to facilitate the timely reduction and sell down of its commitments, so that the organisation avoids taking the place of willing private capital. Notably, there were approximately \$500 million less RTN Fund contractual commitments than potentially required due to early repayments of debt and a reduction in CEFC commitments. Due to market interest and conditions, this will now be funded by private and third-party investors.

### Clean energy and productivity

Improving energy performance, including energy efficiency, electrification and demand flexibility, help ensure the best use of Australia's energy resources. This is directly linked to economic productivity. Investment plays a central role here. Notably, CEFC capital is enabling efficient investment in transmission and transport infrastructure; contributing to technology advancement, diffusion and innovation, and supporting adaptation to changing climate conditions. As the world transitions to net zero, Australia's ability to draw on its comparative advantage in renewables and clean energy should, over time, add to all our prosperity.





2024–25

\$4.7b

Record investment commitments

43

New and follow on transactions

### Governance and stewardship

As the CEFC's transactions become more complex, the Board remains steadfast in its approach to governance, properly recognising that the CEFC is a steward of taxpayer funds, both as an investor and a corporate Commonwealth entity. Judicious management of the CEFC portfolio secured \$811.4 million in repayments and returns of capital in the reporting year and an operating surplus of \$408 million over the same period.

The CEFC remains alive to its exposure to external forces, from escalating project costs, to fluctuating interest and exchange rates and supply chain disruption to social licence issues. In considering the organisation's strategic investment priorities, the Board recognises the benefits of the unique role of the CEFC as Australia's 'green bank' in attracting substantial additional capital.

### Clarity of purpose

It is a privilege to work with an organisation that has the clarity of purpose described in the CEFC Act. In investing on behalf of Australians, our role 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 are grateful to our Responsible Ministers the Hon Chris Bowen MP and Senator the Hon Katy Gallagher for their confidence in our organisation and our determination to invest in a manner that reduces emissions while also delivering a positive return across our portfolio. We thank them for the additional allocation of \$2.65 billion in investment capital we received in 2024–25.

### Board, Executive and Staff

As the investment numbers, market leadership and commitments so clearly demonstrate, the CEFC Executive and Staff, under the continued strong and insightful leadership of CEO Ian Learmonth, achieved above and beyond during the year. The Board congratulates them on this fine progress and thoughtful planning for the future.

“

**The CEFC model is rare in that we invest public money to achieve specific public policy purposes, with the requirement that we also cover our operating costs and make a positive return to taxpayers across our portfolio.**

I would like to recognise the significant contribution of my fellow Board members to the much-expanded work required of them since the RTN Fund became part of the CEFC's responsibility. Their expertise, diligence and counsel continue to benefit the work of the CEFC in so many ways. The CEFC was pleased to welcome Dr Guy Debelle to the Board in December. On behalf of the Board, I express my appreciation for the valuable and constructive Board service of Mr Matt Howell who retired from the Board during the reporting year.

In sharing this Annual Report for the 2024–25 year, I wish also to extend the CEFC's thanks and appreciation to the many stakeholders who share the CEFC's commitment to Australia's clean energy future.

**Steven Skala AO**  
Chair, CEFC

## A message from the CEO

# Accelerating towards zero. Everywhere. Every day.

### It is again a privilege to report on the activities of the CEFC in the most recent financial year.

For the CEFC, 2024–25 was a year of widespread progress and impact, from our largest ever transactions in transmission, to the accelerating net zero ambitions of our co-investors, across natural capital, property and resources. CEFC transactions were unprecedented in their breadth, depth and scale, and play a critical role in Australia's ability to reach net zero emissions by 2050.

This effort was capped off by an expected commitment of \$3.8 billion to the nation-building Marinus Link project, which reached contractual close just after year end. Marinus Link represents our largest and most ambitious transaction since inception. The project will benefit energy markets and consumers unlocking much needed clean energy to power the Victorian and Tasmanian economies, particularly as coal exits the National Electricity Market.

### Investment value climbs

In terms of the 2024–25 reporting year, CEFC investment commitments of \$4.7 billion, across 43 new and follow-on transactions, were more than 2.5 times the value of the previous year. Transmission projects were again our largest-ever transactions, and came alongside substantial progress in renewables, natural capital, climate tech and more.

CEFC investment capital was increased by \$2.65 billion in the reporting year, with the organisation now having access to more than \$33 billion in capital from the Australian Government. Our most recent investment commitments demonstrate how we use this capital to address a broad range of national policy priorities in pursuit of net zero emissions by 2050.

Increasingly, we see our investments positively impacting diverse areas of our economy. Year-on-year investment commitments in renewable energy-related opportunities increased by 2.5 times, to a record \$3.5 billion, against \$1.3 billion a year earlier, noting the impact of large-scale transmission projects, a critical enabler of increased access to renewable energy. Investment commitments through the Powering Australia Technology Fund aim to deliver \$93.4 million in CEFC capital to climate tech businesses and funds.

### Maximising our impact

Of course, the role of the CEFC in delivering on the promise of Australia's net zero future has always been more than the numbers, as important as they are. By working alongside co-investors – and specifically not competing with them – the CEFC capital is shaping new investment models and providing market certainty in a manner that recognises the urgency of the climate challenge.

In 2024–25, this saw every dollar of CEFC capital matched by an additional \$4.14 from co-investors, delivering \$25.7 billion in total investment value in just one year. While undoubtedly shaped by the scale of activities through the Rewiring the Nation Fund, this model long been a key element of our investment approach. It explains why \$18.3 billion in CEFC lifetime commitments have helped deliver \$85.3 billion in clean energy investment in little more than a decade. This is essential to our progress and demonstrates the benefits of public and private capital working in concert.

We recognise that no single organisation can meet the investment requirements of the net zero future, which is why we work with co-financiers. That means we leverage our role in bringing additional capital to the net zero transition. We work with co-financiers and their established origination capabilities to more readily place our capital into the hands of households, farmers and small businesses. We are delighted to report that this has seen the delivery of more than 100,000 small-scale asset finance projects since we began investing. This model now underpins our important work through the Household Energy Upgrades Fund, where co-financiers have matched each dollar in CEFC capital in 2024–25, giving consumers access to \$610 million in discounted capital to support household sustainability.

### Economy-wide decarbonisation

It is well understood that electrifying our economy is the critical precursor to reaching net zero emissions. Also well understood is Australia's competitive advantage in renewable energy. Opportunities beyond the energy system are also significant and explain the balance of our portfolio. Priority areas include transport, agriculture, property and infrastructure, where emissions are both substantial and harder to abate.

We also draw on our investor experience to help identify investable opportunities in the net zero transition, as well as map new and accelerated decarbonisation pathways across a variety of industry sectors. In 2024–25, we delivered in-depth analysis on low carbon liquid fuels and property, and were pleased to play a leading role in shaping an Australian-specific sustainable finance taxonomy. Additionally, our specialist work with CSIRO and Rabobank is aimed at helping farmers access capital to lift sustainability and tap into emerging carbon sequestration opportunities. We thank our co-contributors for their collaboration on these projects.





## Lifetime to 30 June 2025

# \$18.3b

CEFC commitments

# \$85.3b

Total transaction value

### Adjusting to a new normal

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. In addition, the impact of cost pressures on large-scale transmission infrastructure and renewables are challenging business cases and slowing progress.

While the economy-shaping impact of our larger-scale transactions is clear, the full story of CEFC investment activity in 2024–25 shows how we are also delivering for taxpayers, with direct and immediate benefit in homes and small businesses, for vehicle owners and on farms. 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 growing consumer sentiment in favour of measures to address climate change.

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 vital additional capital from co-investors. Even so, we recognise the considerable investment opportunities ahead, across energy generation, carbon sequestration, and the electrification of transport, all major emissions drivers.

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 acknowledge the welcome support of targeted Government mechanisms. The sectors that demonstrably deliver on the economic and environmental potential of a net zero future are best placed to win the competition for long-term capital.

# “

**New commitments of \$4.7 billion in 2024–25 were more than 2.5 times the value of CEFC commitments in the previous year.**

### Our appreciation and thanks

In providing this update on our 2024–25 performance, we are proud to acknowledge the contribution of the many stakeholders who support our important work. Our achievements would not have been possible without the collaboration of co-investors, industry and our many portfolio companies.

We appreciate the strong support of the Australian Government and welcome the additional capital allocation of \$2.65 billion in 2024–25. We benefit from the committed leadership of our responsible ministers, the Hon Chris Bowen MP and Senator the Hon Katy Gallagher, and the work of relevant government agencies.

The strong governance of our Board, under the leadership of Chair Steven Skala AO, remains a vital factor in our progress, as does the commitment and experience of the CEFC Executive and Staff. With Australia looking to bring the world to our shores for COP 31 in 2026, we are optimistic about our role as Australia's 'green bank' in driving investment to decarbonise the Australian economy.

**Ian Learmonth**  
Chief Executive Officer, CEFC

Year in review

# Purpose, priorities, performance

CEFC investments across the economy address market gaps, crowd in new sources of capital and demonstrate the benefits of investing through the lens of achieving emissions reduction and decarbonisation outcomes.



## Investment priorities

### Decarbonise energy

Including renewable generation, battery storage and grid transformation.

### Efficient use of energy and material

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

### Natural capital, carbon sequestration

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



## Investment highlights 2024–25

### Total transaction value

# \$25.7b

CEFC  
commitments  
\$4.7b

New and follow-on  
transactions  
43

Capital  
leverage  
\$4.14 : \$1.00

Capital  
deployed  
\$2.9b

Repayments  
and returns  
\$811.4m

Operating  
surplus  
\$408m





## Performance assessment: 2024–25

### Key activity area

Deploy capital across our investment portfolio and funds 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

→ **Achieved**

Mt estimated emissions reductions

↑ **Exceeded**

Delivering the RTN

↑ **Exceeded**

Adjusted operating result

↑ **Exceeded**

Strategic use of concessional finance to achieve RTN and HEUF policy objectives

↑ **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 Australia's emissions reduction targets

↑ **Exceeded**

Year in review

# Breaking records with green investment

**The CEFC led a remarkable \$25.7 billion uplift in new investment in Australia's net zero future in the 2024–25 year, on the back of a record \$4.7 billion in CEFC investment commitments in a single year.**

Through investing on behalf of Australians, we achieved new highs across our activities: from two of our largest ever transactions, in transmission, to a record \$3.5 billion in backing for Australia's world-leading renewable energy potential; and from game-changing investments in sustainable agriculture to a nationwide emphasis on household, business and agricultural sustainability. Every dollar of CEFC capital committed in the 12 months was matched by an additional \$4.14 from co-investors. With co-investors increasingly working alongside the CEFC, our capital is having an impact right across our nation. Everywhere. Every day.

## Powering ahead with confidence

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 threat of climate change has provided an all-too-familiar drumbeat beneath this turbulence. CEFC commitments demonstrate how the quality and market leading nature of our specialist investment focus is strengthening Australia's place in the global race for sustainable capital. This robust interest from domestic and global institutional investors in Australia increases confidence in our ability to achieve net zero emissions by 2050.



## Charging up the clean energy superhighway

CEFC investment commitments in the energy grid were transformative. A clean energy “superhighway” is set to connect millions of consumers to low emissions, low-cost renewable energy as HumeLink connects the Greater Sydney electricity load centre with Snowy 2.0, Energy Connect in south-west NSW and the NSW element of the Victoria to NSW Interconnector (VNI West). The integrated generation and transmission through the Central-West Orana Renewable Energy Zone will enable as much as 7.7 GW of additional renewable energy power to reach consumers – more than three times the generation capacity of the 2.2 GW Snowy Hydro 2.0 scheme. And our support for VNI West will help unlock some 3.4 GW of additional renewable generation in Victoria and support some additional 1.9 GW of transfer capacity between Victoria and NSW.



## Mainland connections

CEFC capital is set to take this clean energy superhighway across the Bass Strait, via the Marinus Link, the proposed undersea and underground electricity and data interconnector between North West Tasmania and the Latrobe Valley in Victoria. Marinus Link will allow Tasmania to import low-cost excess renewable energy from the mainland and export its vast green hydropower resources to contribute to grid firming the National Electricity Market (NEM). The CEFC investment commitment, which is expected to be \$3.8 billion, is consistent with the Australian Energy Regulator (AER) application. The transaction reached contractual close just after year end and will be reflected in CEFC investment commitments for the 2025–26 year.





## Business flicks the switch to green

Australian businesses are increasingly incorporating a clean energy and low emissions approach into their activities. Exciting transactions with Australian corporates are bringing energy independence to iconic retail outlets; powering cleaner and quieter grocery deliveries and putting more Australians behind the wheel of an electric vehicle, with greater access to critical charging infrastructure. These investments, through the General Portfolio, drew on \$1.4 billion in CEFC capital across 27 new and follow-on transactions. During the year, we welcomed an additional \$2 billion capital allocation to the General Portfolio from the Australian Government, the first since we were established, taking the portfolio's investment capital to \$11.5 billion.



## Greener solutions on the home front

CEFC capital is increasingly supporting the demand side of the energy equation, enabling households, drivers and businesses to take advantage of our growing supply of clean energy generation, backed by storage, new technologies and an expanding grid. Four investment commitments through the Household Energy Upgrades Fund in 2024–25 mean households have access to \$305 million in discounted CEFC finance, matched by an additional \$305 million from four major co-financiers to help make their home sustainability dreams a reality. Other co-financiers are also working with the CEFC to deliver consumers discounted finance for electric vehicles.



## Not-so-small asset finance

We continue to use CEFC capital to deliver direct and immediate benefits to households, vehicle owners, smaller businesses and farmers. Working with co-financiers, we are paving the way for an increasing number of Australians to cut their carbon footprints and have more control over their energy use and costs. In the 2024–25 year, more than 29,000 projects benefited from a total of \$1 billion in discounted finance, drawing on CEFC and third-party capital. Since inception, more than 100,000 small-scale asset finance projects have drawn on \$3.4 billion in CEFC and third-party capital.



## Our climate tech titans

Our climate tech innovators also reached new highs during 2024–25, capturing considerable investor support in the commercialisation of their low emissions technology solutions – from enabling the use of recycled plastic to make activewear, to putting a sharkskin-inspired film onto commercial aircraft to reduce friction and fuel use. Increasingly, CEFC capital is helping to grow businesses that will help define the clean energy economy of the future, through both our Powering Australia Technology Fund and our well-established Clean Energy Innovation Fund. Lifetime commitments through these funds reached a combined \$395.8 million at 30 June 2025. Together with co-investors, this has delivered \$2 billion in new investment to climate tech opportunities.



## Banking on our greener future

Since we began investing, the CEFC has invested as Australia's 'green bank' to draw in vital capital to help deliver our decarbonisation objectives. With CEFC lifetime commitments of \$18.3 billion to 30 June 2025, together with our co-financiers we have crowded in an additional \$65 billion in private sector and third-party capital across more than 400 large-scale transactions. This has delivered a total transaction value of \$85.3 billion, ensuring CEFC capital is playing a substantial role in nation-wide projects to decarbonise our economy. This rate of lifetime leverage, crowding in an additional \$3.55 for each \$1.00 of CEFC capital invested, is powerful evidence of our commitment to avoid taking the place of willing private capital in these investment opportunities.



## An eye on the decarbonisation prize

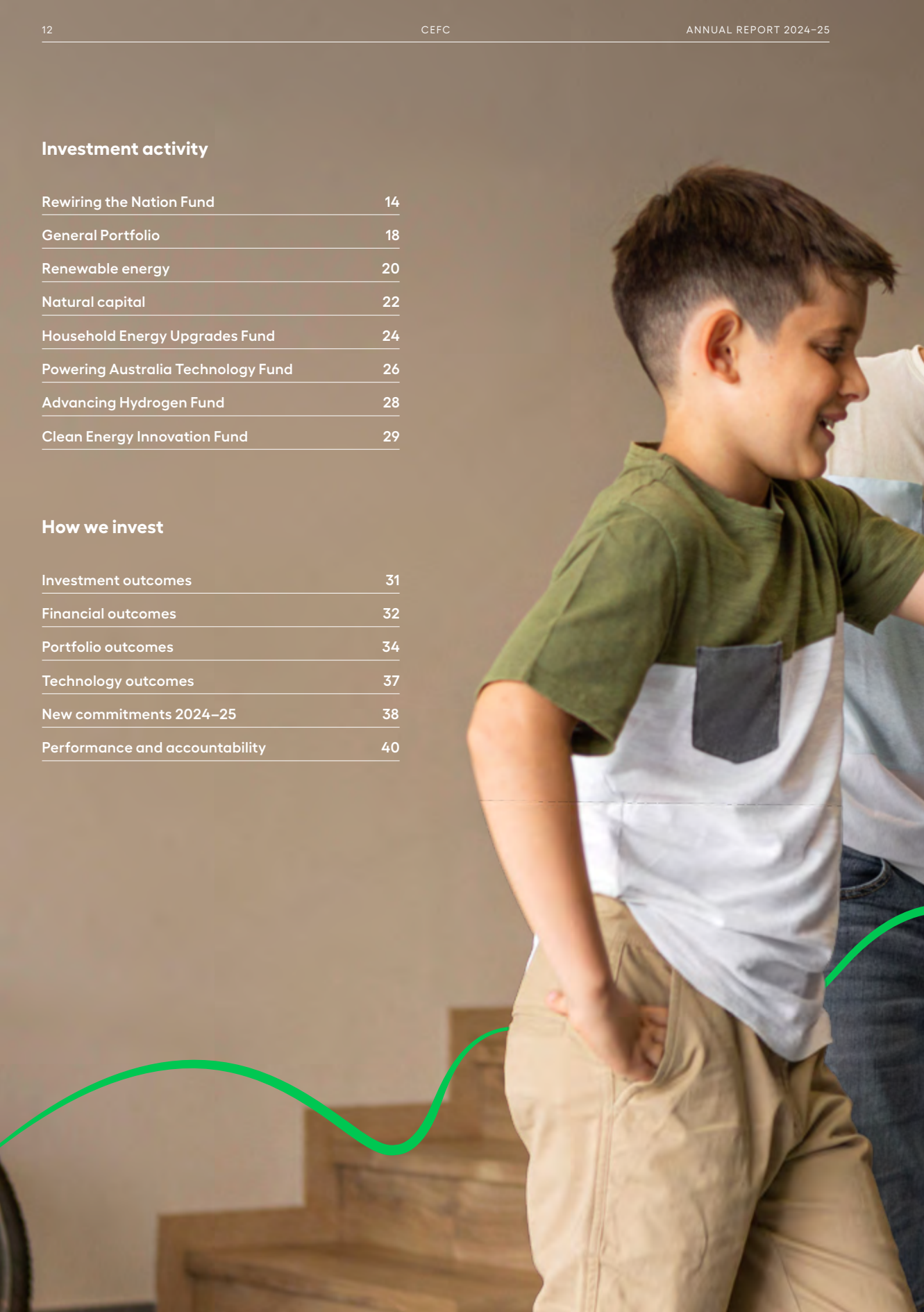
Investment commitments in the 2024–25 year are forecast to abate 5.7 Mt CO<sub>2</sub>-e over their lifetimes, from avoided emissions in both the electricity and non-electricity sectors. Contributors include substantial CEFC investment commitments in the electricity sector, the single largest source of Australia's emissions and a critical precursor to economy-wide decarbonisation. Additionally, we increased our focus on carbon sequestration opportunities in the natural capital sector, which are essential to the decarbonisation of 'hard-to-abate' areas of the economy, including industry and heavy transport. At 30 June 2025, the forecast lifetime emissions abatement across our investment portfolio was an annual average 7.6 Mt CO<sub>2</sub>-e. Abatement from CEFC projects is further influenced by relevant policy measures.

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A young boy with short brown hair, wearing a light-colored t-shirt and blue jeans, is smiling as he plugs a green charging cable into a black electric vehicle. The car is parked in a modern, brightly lit indoor space, possibly a shopping mall or a public parking area. The background shows a blurred interior with a railing and some potted plants. A thick green wavy line runs across the bottom of the image, starting from the left and curving towards the right.

**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

## Investment focus

Through the Rewiring the Nation (RTN) Fund, the CEFC is spearheading investment in transmission infrastructure, long-duration storage, electricity distribution network infrastructure and distributed energy resources. These investments aim to deliver substantial investment and economic benefits across Australia, enabling the electrification of our economy, an essential precursor to the achievement of net zero emissions by 2050.

## Year in review

CEFC investment commitments through the RTN Fund in the 2024-25 year were transformative in their scale, the amount of additional capital they attracted and in their long-term impact on Australia's energy grid. CEFC commitments through the RTN were \$2.8 billion across three transactions. During the reporting year we also welcomed the Australian Government allocation of an additional \$650 million to the RTN Fund in 2024-25, taking its total allocation to \$19.65 billion.

In addition to these transactions, the CEFC worked closely with state and territory governments to progress a range of potential investment opportunities. This included Marinus Link, the second interconnector between Tasmania and Victoria, which reached contractual close just after year end. Additional work extended to Western Australia, for both the South West and North West Interconnected Systems, as well as the Northern Territory. Transaction details will be announced as commitments are finalised.

## Enhancing consumer benefits

The CEFC also focuses on enhancing consumer benefits in all RTN Fund investments. By providing RTN Fund finance on concessional terms, which are more favourable than otherwise available in the market, the CEFC is able to lower the overall financing cost to consumers across these very large-scale and long-dated essential transmission projects.

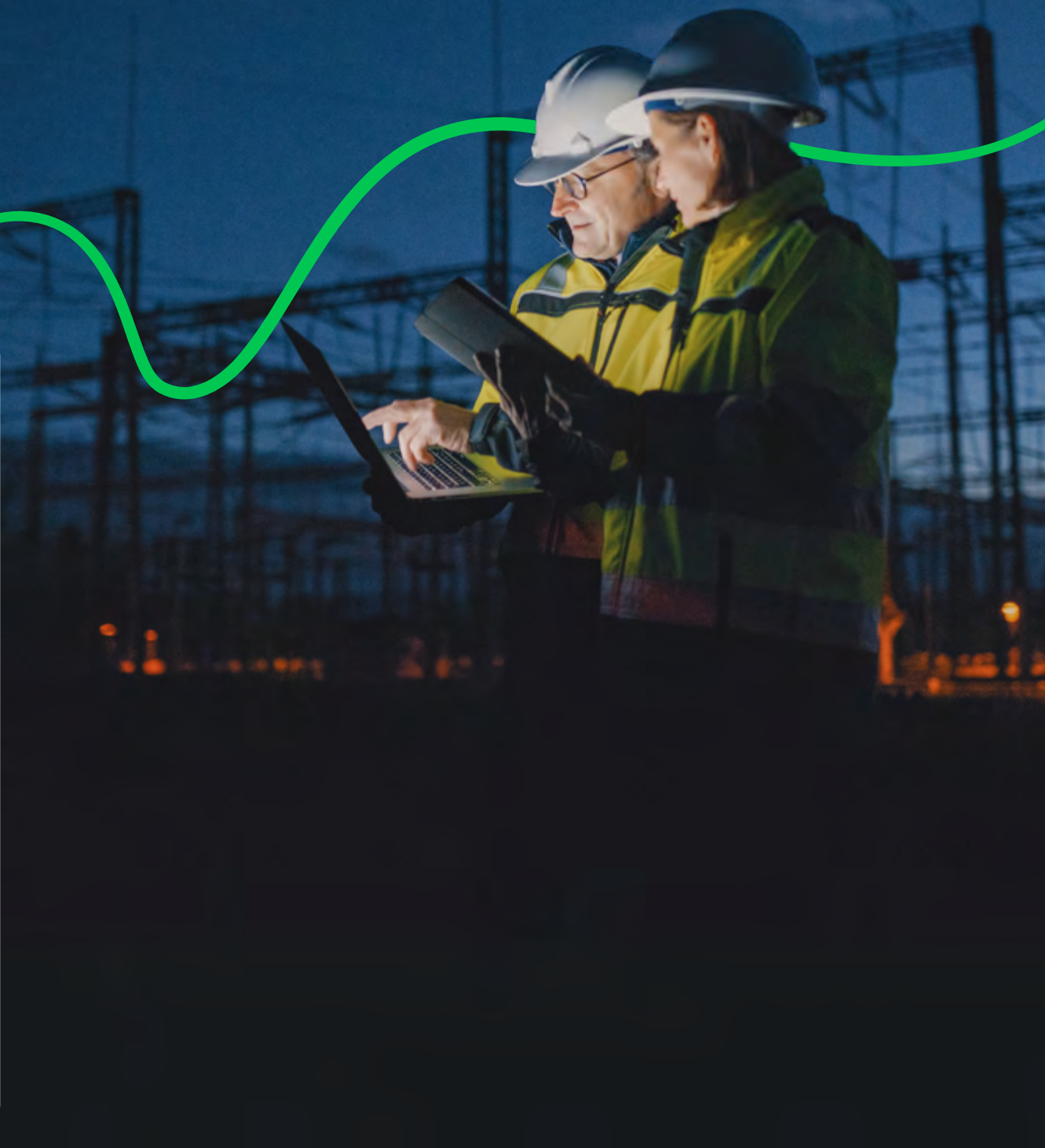
## Working with private capital

Concessional finance is used to accelerate the delivery of critical transmission infrastructure by reducing delays, and to incentivise delivery of lower cost renewable energy to Australians. It is particularly effective where market conditions, regulatory constraints or credit rating impacts prevent timely investment in nationally significant projects.

With the HumeLink transaction, the CEFC collaborated with Transgrid and its advisors over a two-year period to develop a financing solution that required the crowding-in of additional private capital through a hybrid bond issuance, senior debt and equity, enabling the project to proceed. CEFC's participation in the hybrid notes required private investors to also participate in those notes, which then enabled senior debt and equity to close the transaction.

**Electrifying the Pilbara:** The CEFC commissioned the development of detailed analysis to quantify and assess the economic, financial, social and emission abatement impacts and benefits of building common user transmission infrastructure in WA's minerals-rich Pilbara region compared with the historical 'go-it-alone' model. *The common user transmission and decarbonising Pilbara energy demand* report, available on the [CEFC website](#), aims to inform future capital allocation decisions.





## Investment activity – Rewiring the Nation Fund



### Transaction highlights 2024-25

#### HumeLink

**\$1.935b**

##### CEFC commitment

The CEFC committed up to \$1.935 billion to enable the construction of HumeLink, part of a clean energy “superhighway” connecting millions of consumers to low emissions, low-cost renewable energy.

The CEFC worked with Transgrid to develop a tailored financing package, combining concessional senior debt with subordinated notes. The investment commitment was subsequently reduced to \$1.35 billion due to changes in financial market conditions and increased private sector investment participation.

HumeLink will link the Greater Sydney electricity load centre with the Snowy Mountains Hydroelectric Scheme (Snowy 2.0), EnergyConnect in south-west NSW and the NSW element of VNI West (NSW). The infrastructure will deliver up to 2,000 MW of pumped storage to major population centres, with Transgrid modelling estimating this vast firming capacity will also enable the grid transmission of an additional 2,570 MW of renewable energy.

Transgrid Security Holders made the Final Investment Decision for HumeLink in December 2024.

The company said detailed design, procurement, project mobilisation and main construction works were expected to reach completion in late 2027. Transgrid is prioritising local employment, training and skills development to provide lasting community benefits, including investing more than \$11 million directly into the community to provide enduring social legacy outcomes.

#### CWO-REZ

**\$750m**

##### CEFC commitment

The Central-West Orana REZ will play a critical role in the NSW energy supply as coal-fired generators approaching the end of their design life exit the system at an unprecedented rate.

The CEFC investment commitment includes up to \$750 million in concessional debt finance, which will see NSW electricity consumers avoid up to \$130 million in costs (in nominal terms). The CEFC commitment was subsequently reduced by \$200 million as a result of additional market support from private sector investors, just after year end.

ACERREZ, a partnership of ACCIONA, COBRA and Endeavour Energy, was appointed network operator to design, build, finance, operate and maintain the REZ. It expects construction to begin from mid-2025 with energy to start flowing in late 2028.

With an intended network capacity of 6 GW, the REZ will initially operate at 4.5 GW, supporting the grid connection of 7.7 GW of solar, wind and battery storage capacity, equivalent to powering more than 2.7 million homes. The additional capacity will see the REZ play a vital role in the delivery of the NSW Energy Infrastructure Roadmap, which is targeting at least 12 GW of additional renewable energy generation and 2 GW of new long-duration storage by 2030.



### VNI West (NSW)

# \$140m

#### CEFC commitment

The Victoria to NSW Interconnector West – VNI West – is a 500 kV double circuit transmission line that will connect the high-voltage electricity grids in New South Wales and Victoria.

The transmission infrastructure will increase transfer capacity between the two states and improve electricity network reliability and security as coal fired-power stations retire and more renewable energy generation is integrated. The CEFC has committed \$140 million in finance which, alongside an equity commitment from Transgrid security holders, will be used to progress early works on the NSW section of the nation critical project.

The early works include securing long lead equipment such as transformers, reactors, conductors and steel; detailed design of substations and transmission lines; market engagement to identify preferred construction contractors, environmental impact assessments and submissions; and community and stakeholder engagement. When operational, the interconnector is expected to harness an additional 4,140 MW of renewable energy generation.

Transgrid forecasts the project will deliver some \$1.4 billion in net market benefits, generate more than 1,000 regional jobs and deliver substantial community investment and benefits. The NSW Government has recognised VNI West as Critical State Significant Infrastructure, deemed essential to the state for economic, social or environmental reasons.

### Marinus Link

# \$3.8b

#### CEFC commitment (2025–26)<sup>1</sup>

The CEFC committed an expected \$3.8 billion to support delivery of the long-awaited second electricity interconnector between Tasmania and Victoria. The commitment, which reached contractual close just after year end, is the single biggest transaction since the CEFC began investing.

It provides critical backing for Stage 1 of the Marinus Link project, the undersea and underground electricity and data interconnector between North West Tasmania and the Latrobe Valley in Victoria. The visionary project will enable Tasmania to share its substantial hydro power energy and wind resources with the much larger National Energy Market, helping firm the grid. It will also provide Tasmanian consumers with access to abundant low-cost solar and wind energy from the mainland, as well as enhanced energy security.

The CEFC investment commitment is consistent with the AER application. The long-term CEFC concessional debt finance is part of a broader funding package, bringing in equity investment from the Australian, Victorian and Tasmanian governments as co-owners of Marinus Link.

The funding package is expected to deliver as much as a nominal \$900 million in benefits to Tasmanian and Victorian electricity consumers in the first five years of the project's operations, representing a 45 per cent reduction in transmission-related consumer costs.<sup>2</sup> Construction is expected to commence in 2026, with stage one scheduled for completion by 2030.

1. The transaction reached contractual close just after year end and will be reflected in CEFC investment commitments for the 2025–26 year.  
2. Analysis based on data in the relevant AER application.

## Investment activity

# General Portfolio

## Investment focus

The General Portfolio targets economy-wide investments including 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 alongside those made through the RTN Fund and Specialised Investment Funds.

## Year in review

Investment commitments via the General Portfolio are necessarily diverse, and subject to a broad range of economic, investment and policy influences.

In considering investment opportunities, the CEFC seeks to address the areas of highest emissions, to close market gaps and to reduce costs to consumers by investing where the private sector is absent and/or by crowding in new sources of capital.

Commitments through the General Portfolio also seek to lift broader market ambition with respect to net zero goals, by demonstrating the dual investment and emissions benefits. Lifetime commitments through the General Portfolio were \$14.5 billion to 30 June 2025, including an additional \$1.4 billion in the reporting year. The Australian Government increased the capital allocation for the General Portfolio by \$2 billion to \$11.5 billion in 2024–25.

## Transaction highlights 2024–25

### Next generation buildings

# \$158m

#### CEFC commitment

The CEFC and Real Estate Credit Partners IV (RECP IV) are taking an industry-leading approach to drive down construction emissions carbon within the residential and commercial office sectors. RECP IV will leverage the international capabilities of its fund manager, Goldman Sachs Alternatives, to demonstrate a progressive approach to sustainable debt finance in the Australian market, backing next-generation low-carbon and energy-efficient assets. The CEFC commitment is up to \$158.2 million.





## Grocery deliveries

# \$6m

### CEFC commitment

Global electric fleet specialist Zenobē is drawing on \$6 million in CEFC finance to enable Woolworths stores in NSW and Victoria to make cleaner, greener grocery deliveries. The CEFC finance will support the delivery of 60 battery electric trucks and charging infrastructure to supermarket giant Woolworths for use in 'last-mile' deliveries, the final leg of the delivery journey to homes and businesses. Zenobē, a global electric fleet specialist, will own and operate the cleaner, quieter delivery vehicles under an Australian-first electric vehicle as-a-service model for business.

## Affordable housing

# \$100m

### CEFC commitment

The CEFC is backing AXA IM Alts and SGCH to develop affordable and sustainable build-to-rent apartments. Drawing on \$100 million in CEFC finance, the new homes will be highly energy efficient, fully electric and capable of being powered by renewables. The initial strategy is targeting as many as 3,000 apartments, with at least 50 per cent to be offered at a discount to equivalent market rents for means-tested tenants in key worker employment hubs in major metropolitan areas.

## Iconic retail sites

# \$100m

### CEFC commitment

One of Australia's largest private sector employers, Wesfarmers, is fast-tracking decarbonisation measures at iconic retail sites, investing in rooftop solar, battery storage, energy efficiency initiatives, and an electric vehicle smart charging pilot at selected Bunnings and Officeworks stores. The CEFC has committed \$100 million to the program. The CEFC previously worked with Wesfarmers on targeting operational emissions reduction, investing \$25 million in a \$1 billion Wesfarmers sustainability-linked bond issued in 2021.

## EV Access Program

# \$150m

### CEFC commitment

The CEFC has committed up to \$150 million to support a CommBank EV Access Program providing discounted loans to encourage essential workers to switch to electric vehicles (EVs). The discounted finance program aims to make EVs more accessible for customers earning less than \$100,000 a year. It also has a focus on police, teachers, firefighters, healthcare and other essential workers. The CEFC finance will support discounted loans for a range of new and used EVs, as well as EV home-charging infrastructure.

## Investment activity – General Portfolio

# 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 2024–25, the CEFC committed more than \$200 million to large-scale renewable energy projects, supporting 435 MW of additional generation and 969 MW/2,701 MWh of Battery Energy Storage Systems (BESS).

Investment activity in new generation continues to focus on leveraging the unique CEFC risk and return appetite to accelerate project delivery, including strengthening the commercial viability for long-duration assets, working closely with public and private stakeholders to explore financing models.

### Portfolio highlight

**Fulham Solar Farm and Battery:** The project reached financial close and commenced construction during 2024–25, having been supported by the CEFC and Octopus Australia in the development stage.

Now owned by OASIS, an Octopus-managed fund, the project has secured construction stage equity capital via Octopus' managed funds, including from Rest and clients of Westpac Private Bank. Backed by a power purchase agreement from the Victorian State Government, it will be one of Australia's first DC-coupled solar and battery hybrid assets.

### Market context

Market conditions for new generation investment remained challenging throughout the year. Rising capital costs, particularly for wind, continued to undermine project economics, making it difficult for projects to reach financial close. Operational renewables, especially solar, also faced challenges, with high levels of economic curtailment driven by the increasing frequency of negative pricing events. Some regions also experienced grid outages and/or thermal congestion as they awaited the significant transmission buildout. Combined with declining large-scale generation renewable energy certificate prices, this has impacted investor sentiment for new renewable generation investment.

In contrast, investor appetite for short-duration storage opportunities, of up to four hours, surged on the back of falling capital costs and growing depth in the debt financier market. The existing 2.4 GW/3.8 GWh of operational BESS capacity is expected to grow to more than 12.5 GW/31.3 GWh over the next 24 months, well ahead of Australian Energy Market Operator Integrated System Plan (AEMO ISP) forecasts.

The Capacity Investment Scheme (CIS), designed to drive new investment in dispatchable renewables, held its initial series of renewable generation tender rounds in 2024–25, with the first generation of CIS-backed projects expected to reach financial close in 2025–26. A number of state governments have put in place measures to curb some of the challenges around lengthy permitting processes.



## Transaction highlights 2024–25

### Battery and solar

# \$100m

#### CEFC commitment

A \$100 million CEFC investment in a Neoen renewable energy portfolio is supporting construction of the Collie Battery Stage 2 in WA and the Western Downs Battery Stage 1 in Queensland, in addition to construction of the Culcairn Solar Farm in NSW.

The existing Neoen portfolio includes 15 assets with a combined renewable generation and battery storage capacity of some 2.9 GW, including Parkes, Griffith and Dubbo solar farms in NSW and the Kaban Green Power Hub in Queensland. The CEFC commitment is part of a \$1.4 billion capital raise that drew in substantial additional investment from financiers from Australia, Asia and Europe.

### Renewable energy pipeline

# \$90m

#### CEFC commitment

CEFC capital of \$90 million is accelerating the development of the Fotowatio Renewable Ventures (FRV) Australia pipeline of renewable assets, including the 100 MW/200 MWh Terang battery project in Victoria.

The \$1.2 billion refinancing package is across clean energy assets representing nearly 1 GW of solar capacity and 102.5 MW/205 MWh of battery storage capacity. The assets include the 300 MW Walla Walla solar farm in NSW, which benefited from CEFC concessional finance in 2023 in the challenging post-COVID market. The portfolio financing enabled the CEFC to transition this investment to market rates and unwind the concession, preserving taxpayer returns.

## Investment activity – General Portfolio

# Natural capital

## Investment focus

The world faces a demanding climate change challenge: how to produce more food, fibre and timber, more efficiently, for a growing population amid a more extreme climate, while also reducing greenhouse gas intensity and emissions. As a major agricultural economy, Australia has an opportunity to be at the forefront of innovative technology solutions that can address these challenges.

## Year in review

The CEFC committed an additional \$339 million to natural capital transactions in 2024-25, taking lifetime commitments to \$763 million.

CEFC investment commitments reflect both the complexity and particular urgency of improving the sustainability and competitiveness of Australian agriculture, in conjunction with measures to regenerate and improve land, water and biodiversity.

New commitments attracted considerable institutional capital to important nature-based solutions for the achievement of net zero targets at scale. In addition to these large-scale transactions, CEFC capital also supported some 1,600 smaller-scale asset finance projects in the natural capital sector, with more than \$400 million in discounted CEFC finance and third-party capital delivered via established co-financiers since inception.

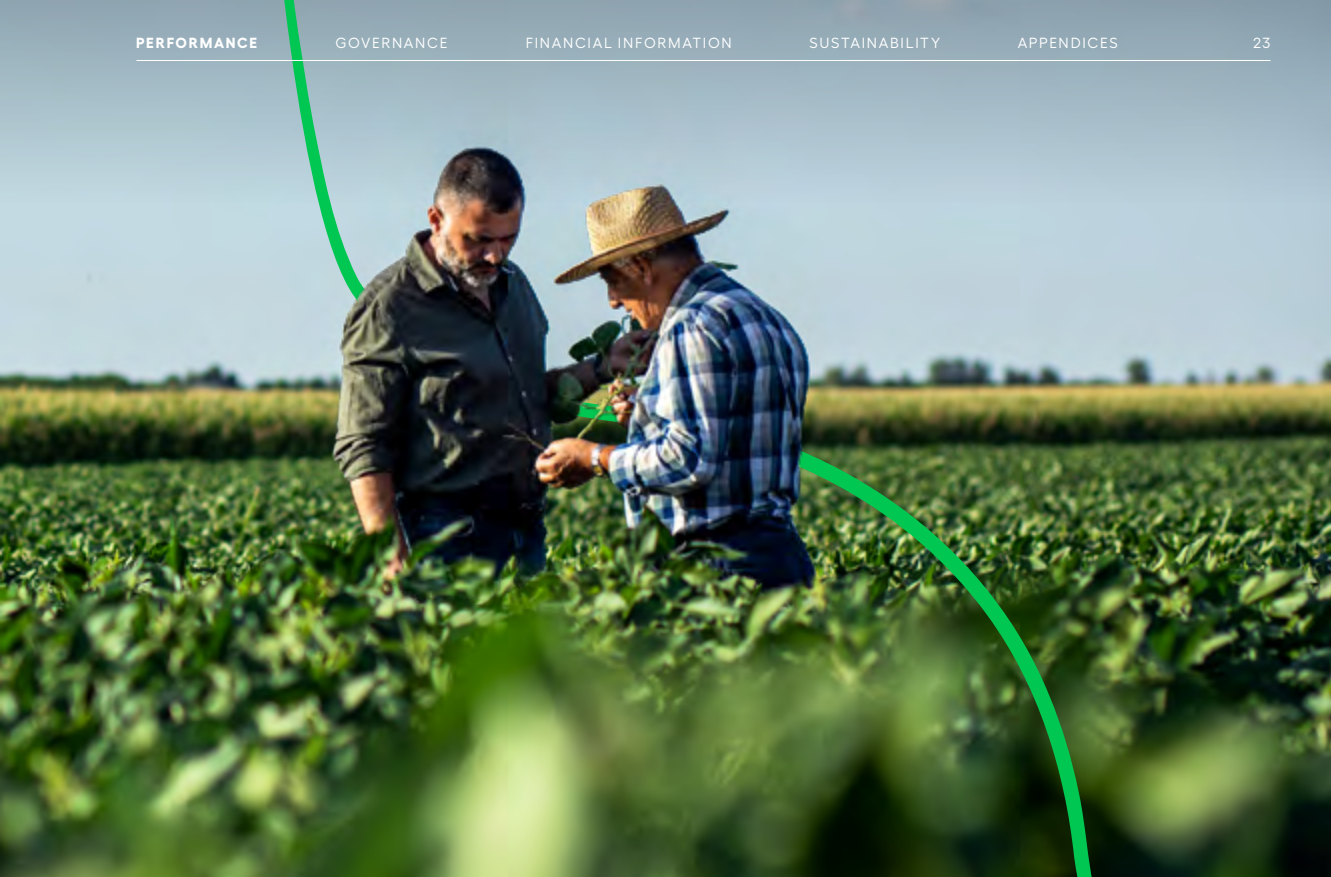
The CEFC invests to maximise the productive, sustainable use of Australia's natural capital assets. This includes reducing on-farm emissions, unlocking the sequestration potential of land and agriculture, and also bringing in new sources of capital across diverse agricultural and land use activities.

## Investment insights

**Agriculture Pathfinder: The Towards Net Zero Agriculture Pathfinder, a joint initiative by the CEFC and CSIRO, is a practical online tool designed to help Australian farmers cut emissions while maintaining productivity and competitiveness.** Suitable for use by farmers, managers, and advisers, *Pathfinder* empowers farmers with the tools and knowledge to make informed decisions tailored to their operations, whether optimising fertiliser use or adopting methane-reducing pasture species. *Pathfinder* also includes information about CEFC-backed discounted finance-eligible activities, such as feed supplements, fertiliser optimisation, and carbon-sequestering plantings.

**Carbon farming solutions: Carbon farming projects offer major benefits for farmers and landowners, from sequestering carbon, to introducing biodiversity, improving soil quality and generating Australian Carbon Credit Units (ACCUs).** Produced by Rabobank Australia, with the support of the CEFC, the *Environmental Plantings Explainer Guide* provides farmers and landowners with high-level guidance on how to create carbon farming projects with the potential to generate ACCUs, including how planting and maintaining mixed native vegetation can help cut emissions. Co-benefits may include increasing shade and shelter, supporting animal welfare, wind breaks for land and pasture protection, erosion protection for waterways, as well as biodiversity and nature restoration.





## Transaction highlights 2024–25

### Environmental plantings

# \$200m

#### CEFC commitment

The CEFC has committed up to \$200 million to Rabobank Australia to provide discounted loans that help reduce upfront costs for farmers undertaking Environmental Planting sequestration activities under the Australian Carbon Credit Units Scheme.

The CEFC investment will support Rabobank Australia in providing a discount of one per cent on the Environmental Plantings Carbon Farming Loans. Rabobank will contribute a further discount of up to 0.15 per cent for these loans. Environmental planting projects involve planting and maintaining mixed native vegetation on land that has been clear of forest cover for the past five years. A mixture of trees, shrubs and understorey species native to the specific area can be planted with the potential to generate one ACCU for each tonne of CO<sub>2</sub>-e stored as the trees grow.

### Sustainable farming

# \$100m

#### CEFC commitment

The CEFC is working with Australia's largest business and agrilender, NAB, to cut borrowing costs for farmers seeking to invest in emissions reduction activities, committing \$100 million to support the NAB Agribusiness – Emissions Reduction Incentive Program.

The CEFC capital supports a 1.15 per cent interest rate discount on loans that can be used for a range of emission reduction activities including the purchase of fertiliser with nitrification or methane inhibitors; reforestation; pasture rejuvenation with legumes and solar and battery projects. Customer loans are expected to range from \$1 million to ~\$5 million. In lowering their carbon footprint, farmers can become more resilient to climate change while also lifting the appeal of their produce, as consumers increasingly preference sustainable products.

## Investment activity

# 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

The CEFC made four new investment commitments through the HEUF in the reporting year, with \$305 million in CEFC capital matched by an additional \$305 million from four major co-financiers.

Importantly, these transactions mean that customers of some of Australia's largest retail banks can access discounted household sustainability finance so they can fast-track their transition to cheaper, cleaner energy, while also lowering their carbon footprint. The discounted finance programs are complemented by information and tools to help households navigate the complex home energy upgrade installation process. This includes identifying the technologies and approaches best suited to their particular homes and energy consumption.

### Market development

Australian households lead the world when it comes to rooftop solar, with systems now installed on more than four million rooftops. However, just one in 40 of these have home batteries. In July 2025, the Australian government introduced the Cheaper Home Batteries Program to help reduce the upfront cost of installing batteries. Through the HEUF, the CEFC is working to extend the benefits of solar plus battery storage to more households, including those in apartments.

### Portfolio highlights

**Smarter energy use: Intellihub is using CEFC finance to help ramp up the rollout of its smart technology solutions.** The approach aims to put power into the hands of consumers by enabling them to orchestrate the operation of solar panels, home batteries, EV chargers, air conditioning and more. Intellihub's Enreal and Zelora subscription services can cover the upfront and installation costs of solar and battery systems, providing an additional way for households to tap into the benefits of solar generated on their own rooftops (pending Investment Mandate direction, this will be included in the HEUF portfolio).

**Strata solutions: Lannock Strata Finance is working with the CEFC to develop a green strata loan product for residential strata properties.** The CEFC finance would offer a material reduction in the current borrowing rate, making it cheaper and easier for owner corporations to install rooftop solar. The product would also help CEFC finance reach renters and apartment owners, who have previously struggled to share in the benefits of renewable energy. Lannock is Australia's largest strata lender and a pioneer in strata finance.



## Transaction highlights 2024–25

### Westpac Sustainable Upgrades Home Loan

**\$160m**

#### CEFC finance

Mortgage sub account

- Maximum loan \$50,000
- Example technologies include solar battery systems, EV chargers, double-glazed windows and home insulation

### CommBank Home Energy Upgrades

**\$20m**

#### CEFC finance

Personal loans

- Customised recommendations to optimise home energy performance
- Upgrades include solar, batteries, EV chargers
- Includes access to the Brighte installer network

### ING Green Upgrade Loan

**\$75m**

#### CEFC finance

Mortgage sub account

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

### Bank Australia Clean Energy Home Loan

**\$50m**

#### CEFC finance

Green mortgage

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

Investment activity

# Powering Australia Technology Fund

Investment focus

Through the Powering Australia Technology Fund (PATF), the CEFC directly invests in innovative Australian climate tech 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 four new and two follow-on PATF transactions in the reporting year, committing \$93.4 million into climate tech opportunities, including \$48.5 million in Virescent Ventures Fund II. The transactions attracted strong market support, taking the transaction value to more than \$400 million, a significant lift in the capital available to the climate tech sector.

Virescent Ventures

Reflecting our ongoing commitment to early-stage climate tech businesses, the CEFC made a \$48.5 million investment in Virescent Ventures Fund II during the reporting year. Fund II also received strong support from the Queensland Investment Corporation, which became a major investor, joining Westpac, the CEFC, institutional investors and a number of high net worth investors. This took the first close of Fund II to approximately \$125 million; it subsequently reached more than \$150 million just after year end.

Market development

In addition to its investment commitments, PATF undertook two market development activities in 2024-25. A competitive fund selection process saw 29 specialist funds register interest in attracting PATF investment capital. A well-attended targeted Growth Capital Investor Forum brought together growth, venture capital and private equity investors and advisors focused on investment opportunities in the energy transition and decarbonisation.

Portfolio highlights: PATF

**MicroTau:** Announced a partnership with the US Delta Air Lines, which will test its innovative sharkskin-inspired 'riblet' energy efficiency technology on its Boeing 767 fleet.

**Hysata:** Named by TIME Magazine as one of the world's top climate tech companies, in recognition of its revolutionary approach to the production of green hydrogen at scale.





## Transaction highlights 2024–25

### Clean energy for apartments

# \$25m

#### CEFC commitment

More Australians living in apartments, aged care centres and commercial sites will be able to access the benefits of renewable energy via Energy Locals, after a \$25 million commitment from the CEFC.

The CEFC investment, made alongside a lead commitment from core-plus infrastructure fund Palisade Impact, will help accelerate the deployment of clean energy technologies like solar panels, battery systems, heat pumps and EV chargers in multi-tenant buildings. As an energy network owner and operator, Energy Locals finances and operates energy infrastructure in multi-tenant buildings.

### High impact tech

# \$15m

#### CEFC commitment

The CEFC has made a cornerstone commitment of \$15 million into the Climate Tech Partners Fund I to back innovative high impact technologies that support Australia's transition to net zero emissions.

The Fund, managed by venture capital firm Climate Tech Partners, focuses on early-stage companies with commercially viable technologies that demonstrate significant potential for large-scale emissions reduction. The Fund, which also attracted investment from Australian Ethical, the Besen Family Office and other investors, will invest in energy and power, transport and logistics, and industry and resources, in collaboration with corporate partners.

### Enhanced grid stability

# \$3m

#### CEFC commitment

EcoJoule Energy is drawing on \$3 million in CEFC finance to support the growth of its innovative, next generation power management products and software solutions for the growth of distributed energy.

EcoJoule's technology platforms include pole-mounted community energy storage units that store the excess solar energy from local residents for later use and a voltage regulation device to help integrate more renewables into the grid. The innovative technologies enable the optimisation of energy management across low voltage networks as they accommodate bidirectional power flows and voltage variability. The CEFC investment was part of EcoJoule's \$15 million capital raise.

## Investment activity

# 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.**

## Year in review

The Australian hydrogen market has faced a number of headwinds, driven by the high costs to scale complex projects as the industry is at a nascent stage. The passage of the *Future Made in Australia Act 2024* and the rollout of associated measures, including the Hydrogen Headstart program, are important foundations for the coming year.

## Market context

The CEFC contributed to the development of the updated National Hydrogen Strategy, which says Australia will target production of at least 15 million tonnes of hydrogen annually by 2030, with a stretch potential of 30 million tonnes annually by 2050. Central to the revised strategy are hydrogen production incentives to help bridge the commercial gap and support early movers to enable the sector to achieve scale. This includes concessional finance available through the AHF.

## Alternative fuels potential

The CEFC recognises that renewable hydrogen is part of a broader picture that encompasses other alternative fuels to support Australia's move away from fossil fuels. The CEFC market report, *Refined Ambitions: Exploring Australia's low carbon liquid fuel potential*, identified a \$36 billion market opportunity in low carbon liquid fuels, with the potential to abate as much as 230 million tCO<sub>2</sub>-e by 2050. It is available on the [CEFC website](#).

## Portfolio highlights

While there were no new commitments through the AHF in 2024–25, the two existing portfolio companies reported important milestones:

**SunHQ Hydrogen Hub:** Completed construction of Queensland SunHQ H2 hydrogen hub, with final commissioning underway at the time of reporting. The CEFC committed up to \$12.5 million to Ark Energy Corporation to support the decarbonisation of the Sun Metals operations, Queensland's second-largest single-site electricity user.

**Hydrogen Park Murray Valley:** Commenced construction at the Victorian facility. Once complete, the development is expected to be the largest renewable hydrogen facility on the east coast, and equal largest in Australia. The CEFC committed \$3.22 million to the project.

# Clean Energy Innovation Fund

## Investment focus

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, Australia's largest and most active dedicated climate tech venture capital fund manager.

## Year in review

CEIF investment commitments in 2024–25 were all follow-on investments into 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 JET Charge, Wattwatchers and Zoomo, 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.

## Market context

Australia saw a moderate improvement in overall venture capital investment in 2024–25, with climate tech consistently within the top three sectors by deal volume and value. Investors were increasingly selective, focusing on fundamentals such as demand drivers and unit economics. While generalist investors were less active, energy remained the top climate tech sub-sector for specialist investors. Changed global dynamics, including the greater focus on energy independence, supply chain security and onshoring, all offer opportunities for the climate tech sector.

## Portfolio highlights: CEIF

**JET Charge:** Secured a \$72 million capital raise, led by international investment house Mirova, to propel the growth of its electric vehicle charging-as-a-service offering and the scaled build-out of its EV charging infrastructure.

**Samsara Eco:** Locked in a 10-year multi-polymer offtake agreement for its world-first enzymatically recycled nylon 6,6 product, with global activewear brand Lululemon, aiming to use it across 20 per cent of its overall fibre portfolio.



**Lifetime to 30 June 2025**

**Small-scale asset  
finance projects**

**~100,000**

**CEFC and  
third-party capital**

**~\$3.4b**



## 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 2024–25, more than \$1 billion in CEFC and third-party capital helped finance more than 29,000 smaller-scale asset finance projects. The breadth and depth of this program is reflected in more than 100,000 individual projects financed since we began investing, representing more than \$3.4 billion in CEFC and third-party capital.

## Investor confidence

The CEFC maintained its role as a specialist investor in the reporting year, using our capital to close market gaps, shape up the investment case and build investor confidence. CEFC transactions, particularly through large RTN Fund commitments, benefited from flexible and innovative financial structures and our ability to take strategic risk positions to help overcome regulatory and market challenges. Equally, we remain careful to pull back where markets are functioning effectively, to avoid crowding out private sector investors. 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.

## Industry focus

CEFC investment activities recognise that the transition to net zero emissions requires a broad economy-wide approach, touching diverse industries and areas of economic activity. Emissions reduction can be accelerated where energy efficiency and process improvements at the industry level complement the accelerating renewable energy and storage transformation of our energy grid. For hard-to-abate sectors, where electrification is less achievable in the near-term, carbon sequestration opportunities via the natural capital sector provide essential decarbonisation options, alongside the emerging areas of green hydrogen and alternative fuels.

## Geographic reach

New and follow-on investment commitments in 2024–25 included both national and locally-based transactions. Of the 43 commitments in the year, 22 were national in nature, with \$1.6 billion in CEFC capital driving total transaction value of \$6.3 billion. National commitments included those in the natural capital and property sectors, small-scale asset finance and climate tech. State-based investments, particularly in NSW, were dominated by large-scale transactions related to the RTN Fund. A further \$140.5 million in CEFC capital was committed in transactions across Queensland, Western Australia, Victoria and South Australia, with third-party capital taking the total transaction value to \$2.5 billion in 2024–25.

How we invest

# Financial outcomes

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

## Commercial rigour

**The CEFC takes a commercially rigorous approach to our investment activities as well as the operation of our own business, guided by our investment policies and prudent risk management. Across our portfolio, we seek to achieve a positive return for taxpayers over time. We do not make grants, and only invest in activities and technologies as required under the CEFC Act, Investment Mandate and investment policies.**

## Capital returned

**The CEFC is pragmatic in managing our portfolio and targeting returns in line with the requirements of our Investment Mandate.**

This approach is reflected in the \$5.9 billion received in lifetime repayments on and returns on CEFC investments to 30 June 2025, including \$811.4 million in the most recent 12 months. This capital is available for reinvestment. 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.

## 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 heighten 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 for the 12 months to 30 June 2025. Lifetime deployment was \$14.6 billion.



Operating surplus 2024–25

**\$408m**

### Concessionality

**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 2024–25 year, particularly related to new transactions via the RTN Fund and HEUF, was a net reversal of \$25.6 million (due to the resizing of concessional loan commitments), compared with a charge of \$456.6 million in the prior year. With concessionality directly related to the timing and scale of individual investment commitments, concessionality levels will fluctuate over time, reflecting the evolving shape of the CEFC investment portfolio.

### Financial outcomes 2024–25

**Repayments  
and returns**

**\$811.4m**

**Deployment**

**\$2.9b**

### Operating result

**The CEFC works to achieve a positive operating result across its own activities, ensuring no cost to taxpayers.**

Despite the recent period of organisational growth related to the substantial increase in our capital allocation, the operating surplus for the 2024–25 year was \$408 million, compared with a loss of \$216 million in 2023–24. The largest component of the improved year-on-year operating result was a \$482 million lower net recharge for concessionality, together with a \$132 million increase in own-source revenue.

How we invest

# Portfolio outcomes

**The CEFC on-risk portfolio was \$11.9 billion at 30 June 2025, compared with \$8.8 billion at 30 June 2024, reflecting significant additional use of capital, partially offset by repayments and returns of capital on prior year investment commitments.**



## Growth

**The 18 follow-on transactions closed in the 2024–25 year included an additional \$298.5 million in CEFC capital, with capital from co-investors taking the total value to \$3 billion.**

Follow-on commitments enable the CEFC to play an ongoing role in transactions, supporting the development of large-scale assets, the growth of investee companies and the expansion of investment platforms. Follow-on commitments also enable the extension of our smaller-scale asset finance programs in response to positive consumer demand.

While the number of follow-on transactions was similar to the 18 reported in 2023–24, the value of the CEFC commitments was more than double the \$124.9 million reported in the prior year. There was an even more significant lift in the total transaction value, which was five times greater than 2023–24, at \$526.3 million.



## Performance

**The CEFC portfolio performed well overall through the reporting year, with the achievement of notable investment milestones despite challenging market conditions.**

Successful refinancings across our renewables and property portfolios had the twin benefits of drawing new capital into de-risked net zero-aligned activities while also freeing up CEFC capital for ongoing investment. Together with investors and stakeholders, we also contributed to the development of mandatory climate disclosures and social licence expectations, recognising the positive influence of transparency in elevating net zero ambitions.



## Composition

**The CEFC continued to offer tailored investment solutions to accelerate investment in 2024–25.**

These were in the form of direct debt or equity, hybrids, managed funds, and small-scale asset finance delivered via established co-financiers. Of the \$4.7 billion in new and follow-on investment commitments in the 2024–25 year, \$4.3 billion was in the form of debt, with the balance of \$361 million in equity. Across the entire on-risk portfolio of \$11.9 billion at 30 June 2025, \$8.9 billion was debt and \$3.0 billion equity.



## Impairment provisions

**As a specialist investor, the CEFC recognises the challenges faced by companies bringing new technologies and greenfield projects to market.**

CEFC impairment provisions increased to \$199.6 million in 2024–25, compared with \$134.4 million in 2023–24, reflecting the increased scale and complexity of our on-risk portfolio. This includes a specific provision for one loan in addition to our statistical provisions calculated under AASB 9.





## Green Treasury Bonds

**The CEFC has been pleased to see key investment commitments within the portfolio included in the Australian Government green bond program.**

The Green Treasury Bonds enable investors to back public projects that drive Australia's transition to net zero by 2050, while also attracting green capital to Australia through increased transparency around climate outcomes and the scale of available green investments. In its inaugural Green Treasury Bond Allocation and Impact Report, the Australian Office of Financial Management provided details of the CEFC investments included in the Bond, made through RTN Fund and the HEUF.



## Portfolio highlights

### Golden Plains Wind Farm

The \$4 billion Golden Plains project became Australia's biggest operating wind farm, increasing its generating capacity to 560 MW, a significant milestone in its goal of producing nine per cent of Victoria's energy.

### Waratah Super Battery

The most powerful battery operating in Australia, the partially-commissioned 850 MW Waratah Super Battery in NSW, conducted its first tests, discharging to its hold point limit of 360 MW for two hours.

### Orica

The company reached 1 million tonnes of emissions abated at its Kooragang Island nitric acid plant at Newcastle in NSW, using groundbreaking technology backed by CEFC finance. Orica compared the achievement to taking 600,000 cars off the road.

### Ingenia Communities

Received Green Star Homes Designed accreditation across more than 260 homes at its Lifestyle Springside community development in Victoria, setting a new standard for sustainable housing at scale.

### Innovative technologies

Four Australian climate tech companies received global recognition for their industry leadership, including Hysata's ultra-high efficiency hydrogen electrolyser systems; Relectrify's breakthrough approach to battery controls; Samsara Eco's game-changing infinite plastics recycling solution and SunDrive's revolutionary high-efficiency solar technology.



Lifetime to 30 June 2025

Renewable energy

**\$11b**

Energy efficiency

**\$4.7b**

Low emissions

**\$2.5b**

Year-on-year  
investment  
commitments in  
renewable energy

**↑2.5x**

# Technology outcomes

The CEFC is required to invest in renewable energy, energy efficiency and low emissions technologies, in opportunities that are solely or mainly Australian-based. Further, we are required to ensure that, at any time on or after 1 July 2018, at least half of CEFC funds are invested in renewable energy technologies, and report on balance of investment into technology classes across the portfolio. At 30 June 2025, investment in renewable energy technologies represented 61.6 per cent of CEFC funds invested.

## Renewable energy technologies

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, compared with \$1.3 billion a year earlier. This increase reflects the substantial scale of CEFC investment commitments through the RTN Fund, of \$2.8 billion in 2024–25. An additional \$657.5 million in CEFC capital was committed across a range of renewable energy-related investments, including \$200 million in large-scale solar, wind and energy storage. CEFC lifetime commitments to renewable energy were \$11 billion at 30 June 2025, with CEFC capital backing the delivery of 6.3 GW in large-scale renewable energy capacity and 6.4 GWh in large-scale storage capacity.

## Energy efficiency technologies

CEFC investment commitments in energy-efficiency related technologies also increased exponentially in the reporting year, up more than five times to \$470 million, from \$90 million in the previous year. Energy efficiency technologies are a feature of property and co-financier investment commitments in particular. Lifetime commitments to energy efficiency technologies were \$4.7 billion at 30 June 2025.

## Low emissions technologies

CEFC finance for low emissions technologies, at \$718 million in the 2024–25 year, were also substantially higher year-on-year, compared with \$413 million in 2023–24. Lifetime investment commitments to low emissions technologies were \$2.5 billion to 30 June 2025, reflecting the increased CEFC focus in the areas of natural capital and carbon sequestration, as well as commercial and passenger electric vehicles.

How we invest

# New commitments: 2024–25

New commitments 2024–25	Purpose	CEFC commitment
<b>General Portfolio</b>		
<b>NAB</b>	Discounted finance of \$200 million for industry adoption of low emissions vehicles and equipment; alongside discounted finance of \$100 million for sustainable farming practices	<b>\$300m</b>
<b>Rabobank Australia</b>	Discounted finance for farmers to undertake Environmental Planting sequestration activities, including the creation of high-quality ACCUs	<b>\$200m</b>
<b>Goldman Sachs Alternatives</b>	Industry leading sustainable finance approach, via the Real Estate Credit Partners IV fund, to drive a whole-of-lifecycle approach to reducing emissions in commercial and residential construction projects	<b>\$158.2m</b>
<b>Resource Capital Funds</b>	Backing for measures to enhance sustainable mining practices and decarbonise the critical minerals supply chain	<b>\$114.5m</b>
<b>AXA Affordable Housing</b>	Innovative build-to-rent housing strategy to deliver as many as 3,000 sustainable, affordable homes, with at least 50 per cent of apartments offered at a discount to means-tested tenants, in key worker employment hubs	<b>\$100m</b>
<b>Wesfarmers</b>	Working with one of Australia's largest private sector employers to fast-track decarbonisation measures, including at its iconic Bunnings and Officeworks retail sites	<b>\$100m</b>
<b>Fotowatio Renewable Ventures</b>	Participating in the portfolio financing of nine clean energy assets in NSW, Queensland and Victoria, with solar capacity of ~1 GW and 102.5 MW of battery storage	<b>\$90m</b>
<b>CommBank</b>	Providing discounted finance for electric vehicles and home-charging infrastructure for essential workers and lower income earners	<b>\$75m</b>
<b>Credabl</b>	Supporting a pioneering discount green loan product to boost sustainability at dental practices, doctors' surgeries and other healthcare premises	<b>\$20m</b>
<b>Plenti</b>	Discounted consumer finance to support the purchase of eligible electric vehicles	<b>\$18.9m</b>
<b>Bank Australia</b>	Supporting tailored green mortgages for customers building or buying a home that meets targeted sustainability criteria	<b>\$15m</b>
<b>Zenobē</b>	Backing the global electric fleet specialist in the financing of 60 battery electric trucks to Woolworths, replacing diesel vehicles for grocery deliveries to homes and businesses	<b>\$5.9m</b>
<b>Natural capital</b>	Transaction details not disclosed at time of reporting	<b>\$0.6m</b>
<b>Natural capital</b>	Transaction details not disclosed at time of reporting	<b>\$0.3m</b>



The CEFC made 43 new and follow-on commitments in the reporting year, representing a record \$4.7 billion in CEFC capital. The 25 new investment commitments are listed below.

New commitments 2024–25	Purpose	CEFC commitment
<b>Rewiring the Nation Fund</b>		
Transgrid	HumeLink transmission project, linking the Greater Sydney electricity load centre with Snowy 2.0, EnergyConnect in south-west NSW and the NSW element of VNI West (NSW)	<b>\$1.935b</b>
ACEREZ	Development and construction of the Central-West Orana Renewable Energy Zone in NSW, Australia's largest REZ, to connect 7.7 GW of wind and solar to the grid	<b>\$750m</b>
Transgrid	Finance for a range of early works for the NSW section of VNI West, including securing long lead equipment, detailed design works, market and community engagement	<b>\$140m</b>
<b>Household Energy Upgrades Fund</b>		
Westpac	Finance for the new Westpac Sustainable Upgrades Home Loan, for measures to improve sustainability, including energy efficient appliances, solar batteries, EV chargers, double-glazed windows and insulation	<b>\$160m</b>
ING Australia	Finance for the ING Green Upgrade Loan program for energy-efficient home upgrades	<b>\$75m</b>
Bank Australia	Helping homeowners lift their sustainability, including switching from gas to all-electric dwellings, via the reduced rate Clean Energy Home Loan	<b>\$50m</b>
CommBank	Enabled discounted unsecured fixed-rate personal loans through the CommBank Home Energy Upgrades service to install rooftop solar, home batteries and EV chargers	<b>\$20m</b>
<b>Powering Australia Technology Fund</b>		
Energy Locals	Accelerating the deployment of renewable energy-based solutions at multi-tenant commercial sites as well as people living in apartments and aged care centres	<b>\$25m</b>
Climate Tech Partners Fund I	Cornerstone investment in a new fund supporting the growth, diversification, and commercial scaling of Australian climate tech businesses to help meet corporate climate ambitions	<b>\$15m</b>
EcoJoule Energy	Finance for innovative grid strengthening technology to enable energy networks to accommodate the rapid growth of distributed energy resources	<b>\$3m</b>
UNSW Founders Climate 10x accelerator program	Investment backing three climate tech innovators: Birra Technologies, ClimaSens and OptiGrid	<b>\$0.9m</b>

Performance statement and analysis

# Performance and accountability

## Corporate Plan and strategy

The 2024-25 Corporate Plan was published in August 2024, as required under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and sets out the strategy adopted in pursuit of the organisation’s purpose.

### The CEFC strategy is informed by:

The CEFC Act and Investment Mandate

Australia’s emissions reduction challenges

Market opportunities to support the achievement of Australia’s emissions reduction targets.

## Strategic investment priorities

### 1 Decarbonise energy

Drive cleaner, greener energy to underpin the net zero economy

#### Key activities

- Transform our electricity grid
- Significantly increase renewable energy generation
- Build out large-scale energy storage
- Back the renewables supply chain

### 2 Energy efficiency

Transform energy and resource use to lower emissions

#### Key activities

- Drive electrification and energy performance
- Encourage fuel switching and electric vehicles
- Back low emissions design solutions
- Invest in low emissions supply chains

### 3 Natural capital and carbon sequestration

Make better use of our land to close the emissions gap

#### Key activities

- Invest in low emission agriculture
- Identify and promote sustainable land use solutions
- Accelerate land-based carbon sequestration
- Support carbon markets, the Safeguard Mechanism and voluntary markets

Annual Performance Statements

The Board, as the accountable authority of the CEFC, presents the 2024–25 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 reflected in the object 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:

- 1

**Investing** in renewable energy, energy efficiency and low emissions technologies with the aim of delivering a positive return for taxpayers across our portfolio. CEFC finance is delivered in accordance with the *Clean Energy Finance Corporation Investment Mandate Direction 2023*.
- 2

**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.

CEFC performance measures provide an account of how the organisation performed across both investment and collaboration.

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 Board 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 2024–25 as ‘partially exceeded’: five indicators were exceeded and two were achieved.

Board performance classification


- Not achieved



Performance was **below** the performance target range
- Achieved



Performance was **within** the performance target range
- Exceeded



Performance was **above** the performance target range

Performance statement and analysis

Performance objectives

Key activity area

Deploy capital across our investment portfolio and funds to drive action across our strategic priorities and deliver 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 \$1.8 billion, being within the performance target range of \$1.6 billion to \$2.0 billion. This was a strong increase in the capital committed when compared with the prior year of \$1.0 billion.

1. The performance target for this item included in the PBS was \$1.2b–\$1.8b. The difference in the target values is attributable to the timing difference between when the PBS is submitted and when the organisation's planning and target setting process was completed, with approval of the Corporate Plan in August 2024.

2. Capacity

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

→ Achieved

Performance targets and results



Analysis

The expected annual output of new capacity unlocked through CEFC financing was 1.8TWh, being at the bottom end of the performance target range of 1.8TWh to 2.5TWh. This reflects additional solar energy and battery storage capacity unlocked through CEFC finance.

In the 2023–24 year, a similar measure of 'gigawatts of new electricity generation and storage capacity unlocked through CEFC finance' was adopted. For the 2024–25 year, the 1.8TWh of expected annual output translated to 1.5 GW of generation and storage capacity. In the prior year the result was 1.2 GW, representing 25 per cent increase in the comparable measure.



### 3. Emissions

Mt estimated emissions reductions per annum.  
(Source: Corporate Plan)

 Exceeded

#### Performance targets and results



#### Analysis

Estimated annual emissions reductions were 0.28 Mt in the 2024–25 year, above the top end of the performance target range. The result was a slight reduction when compared with the prior year of 0.3 Mt.

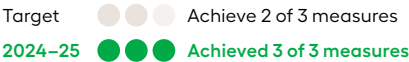
The amount of estimated emissions reduction in each period depends on various factors, including the type of projects financed, the probability and estimated timing of emissions reduction realisation and the prevailing baseline for the relevant activity. In the 2024–25 year, the most significant contributors were natural capital commitments, followed by commitments in the electricity sector.

### 4. Rewiring the Nation

Delivering the RTN:  
(1) Reach commercial commitment on three Integrated System Plan or State/Territory priority transmission projects, (2) Deliver 4.5 GW of additional network capacity and (3) Reach contractual close on the two 2023–24 transmission projects.  
(Source: Corporate Plan)

 Exceeded

#### Performance targets and results



#### Analysis

Delivering the RTN measure had three components and all three of these were met during the 2024–25 year. Specifically, commercial commitment was achieved on four integrated system plan or state or territory priority transmission projects. Those projects that reached the commercial commitment stage will deliver 5 GW of additional network capacity and contractual close was reached on the two 2023–24 projects that reached commercial commitment in that year.

Performance statement and analysis

Key activity area  
Deploy capital across our investment portfolio and funds to drive action across our strategic priorities and deliver emissions reductions (continued)

5. Operating result

Adjusted operating result.  
(Source: Corporate Plan)

↑ Exceeded

Performance targets and results

Target		\$210m–\$230m <sup>1</sup>
2024–25		\$310m <sup>2</sup>
2023–24		\$175.6m

Analysis

The adjusted operating result of \$310 million was above the performance target range of \$210 million to \$230 million. Due to the larger than budgeted cash holdings required during the 2024–25 financial year for RTN Fund projects in particular, the Board also considered performance when the impact of interest earned from cash held in bank accounts was excluded. When interest on bank accounts is excluded from the actual result and the target, the adjusted operating result was \$223 million, against an adjusted target range of \$193 million to \$213 million. As such, on both measures, performance exceeded the performance target range.

The performance target range was formed around the Board-approved management budget that planned for an adjusted operating result of \$211 million, or \$194 million excluding budgeted interest on bank accounts. The key contributors to the better than target performance were: higher revaluations and gains/(losses) (+\$17.7 million), higher share of profits from associates (+\$40.0 million), lower operating expenses (+\$13.6 million), partially offset by a larger-than-budgeted impairment charge (-\$32.7 million) and lower operating revenues (-\$9.8 million).

1. \$193m–\$213m, excluding interest earned on bank accounts  
2. \$223m, excluding interest earned on bank accounts

Note: Adjusted operating result = Operating result adjusted for (1) concessionality, (2) loan modification charges, (3) bond revaluations, (4) Innovation Fund revaluations and (5) statistical impairment provision raised on RTN transactions where there is a material timing difference between income recognition and the provision raising.

Key activity area

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

6. Concession

Demonstrate that deployment of RTN and HEUF concessionality is required to facilitate the policy objectives of the respective funds.  
(Source: Corporate Plan)

↑

Exceeded

Analysis

The Board established this performance measure recognising that the RTN Fund and HEUF were designed as concessional financing facilities to deliver specific government policy objectives.

The Board reviewed the key investment commitments made under the HEUF where it was demonstrated that the benefit of the concessional finance was being passed through the end consumer, thereby facilitating a key policy objective of supporting clean energy measures for existing residential dwellings and knock-down-and-rebuild projects that exceeded the current National Construction Code requirements.

Similarly, with respect to RTN Fund investment commitments, the Board considered whether the amount of concessionality provided was required to deliver key policy objectives, including supporting the development or acceleration of an AEMO Integrated System Plan or other electricity transmission projects and enhancing benefits for electricity consumers.

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 2024–25 performance, the Board considered the allocation by Government of an additional \$2 billion of capital for the CEFC General Portfolio; the organisation's leadership role in the area of climate disclosures; the strong engagement with regulators with a view to improving regulation to unlock future investments; the successful close of the Virescent Ventures Fund II and the contribution made to assist in the design and rollout of household battery programs.

# Prudent oversight of our approach to investment and risk

## Governance

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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* (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 substantial 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 the private sector is absent. 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 the investment required.



## Board

### Overview

**The CEFC is a corporate Commonwealth entity established by the CEFC Act. 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, as prescribed under section 14 of the CEFC Act, 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 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 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 December 2024, the CEFC welcomed Dr Guy Debelle to the Board. In June 2025, the Board thanked retiring Board member Matt Howell for his service.



### 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 and finance. 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 the Heide Museum of Modern Art (Melbourne), 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) and an Honorary Life Governor of the General Sir John Monash Foundation.

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 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 and 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 and e61 Institute, 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.*



## Matt Howell

### Additional Board Committee responsibilities

**People and Culture Committee, Chair**

**RTN Investment Advisory Committee, Member**

Mr Howell has more than 37 years' international experience in energy-intensive base-metals and precious-metals smelting. He is the Chief Executive Officer of Nyrstar Australia, a Non-Executive Director with Mineral Carbonation International Pty Ltd, and a former member of the Australian Government Technology Investment Advisory Council.

Mr Howell was previously Chief Executive Officer of Tomago Aluminium, having led its transformation into the largest and most efficient aluminium smelter in the Asia Pacific region.

He has also been a Director of the board of the Australian Aluminium Council. Prior to that, he held senior and diverse roles in the resources sector in Australia, the United States and Europe. Mr Howell has a Bachelor of Science (Honours) from the University of Tasmania.

*Appointment from 14 May 2022. Resigned effective 30 June 2025.*



## 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. He is Chair of VGI Partners Global Investments Limited, Catalyst Metals Ltd and a Director of Regal Asian Investments Limited. Mr Jones is also a member of the Investment Committees of Aviron Investment Management and EMR Capital, and Chair of both DTS Capital and the Derwent Search Advisory Board.

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, 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 Members



### Andrea Slattery

#### Additional Board Committee responsibilities

**People and Culture Committee**, Acting Chair

**Audit and Risk Committee**, Member

**RTN Investment Advisory Committee**, Member

Mrs Slattery is a recognised leader in Australia's financial services, energy transition, infrastructure and investment sectors. With over 30 years of board and executive experience, she brings proven expertise in governance, strategy, risk and transformational change across complex, highly regulated environments. Her extensive experience in infrastructure, ESG, and government engagement underpins her contribution to advancing Australia's clean energy and sustainability goals.

Mrs Slattery is currently a Non-Executive Director of AMP Limited and AMP Bank, where she previously chaired their Audit Committees, and ESG and Sustainability Committees. She is also Deputy Chair of the Woomera Prohibited Area Advisory Board, the APAC Co-Chair of Women Executives on Boards and a member of the AMP Foundation.

Her previous board roles include Infrabuild Limited, Argo Global Listed Infrastructure, AMP Life, National Mutual Life, and the South Australian Cricket Association. She has been appointed to senior government advisory committee roles across innovation, infrastructure and financial services policy and reform. As founding CEO of the SMSF Association, she led major superannuation reform and transformational financial services industry growth and innovation.

Mrs Slattery holds a Bachelor of Accounting and Master of Commerce. She is a Fellow of CPA Australia, Fellow of CAANZ, Fellow of the SMSF Association, and Fellow of the Australian Institute of Company Directors. She holds a Global Competent Boards ESG&S Certificate, a Harvard Business School Corporate Director Certificate and a Digital Savvy Board Director Certificate from MIT. She was named Australian Woman of the Year in Financial Services in 2014.

*Re-appointed 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. Her board roles include Chair Horizon Power, Director 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. She 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.

*Re-appointed 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 King & Wood Mallesons for more than 20 years and also held several key management roles.

Ms Wakefield Evans is currently a Non-Executive Director of Viva Energy and Sonic Healthcare. She is also a guardian of the Future Fund, the Chair of MetLife Insurance Australia, a member of the Takeovers Panel 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 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 King & Wood 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.

*Re-appointed 5 October 2022 for five years.*

## Board

### Board Committees

Board effectiveness is enhanced through the work of three permanent 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 setting, monitoring and evaluating achievement against the annual corporate key performance indicators (KPIs), setting 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](#)

## Board 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 1: Board committee memberships 2024–25

Board Member	Audit and Risk Committee	People and Culture Committee	RTN Investment Advisory Committee
Steven Skala AO (Chair)			Chair
Dr Guy Debelle <sup>1</sup>	Member from 3 April 2025	Member from 3 April 2025	Member from 3 April 2025
Matt Howell <sup>2</sup>		Chair until 19 June 2025	Member from 3 April 2025
David Jones AM	Member		Member from 3 April 2025
Andrea Slattery	Member	Member acting Chair from 19 June 2025	Member from 3 April 2025
Samantha Tough			Member
Nicola Wakefield Evans AM	Chair		Member

1. Dr Guy Debelle was appointed as a director to the CEFC Board on 7 December 2024.

2. The CEFC Chair granted Matt Howell with a temporary leave of absence from the CEFC Board commencing 19 June 2025 to 19 September 2025. Matt Howell subsequently retired as a director of the CEFC Board effective 30 June 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 five meetings and the RTN Investment Advisory Committee held three meetings.

Figure 2: Board member meeting attendance 2024–25

	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	4*	5	3	3
Dr Guy Debelle	6	6	2^	3	3	3	1*	1
Matt Howell	8	10	4*	5	4	5	3*	3
David Jones AM	10	10	5	5	3*	5	2*	3
Andrea Slattery	10	10	5**	5	5**	5	1*	3
Samantha Tough	10	10	3*	5	2*	5	3	3
Nicola Wakefield Evans AM	10	10	5	5	0*	5	1	3

\* Represents non-committee members, whose attendance is optional.

\*\* Includes one committee meeting as acting Chair.

^ Includes one committee meeting as a member, and one of two committee meetings where attendance was optional.

## 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, and senior management personnel appointed to assist the CEO in managing the Corporation under delegated authority. This includes building market awareness about decarbonisation opportunities, advocating for relevant standards and policies that can unlock investment opportunities in the clean energy sector, and by 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 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. He 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 the reporting period until July 2025, Mr Learmonth was a director of Virescent Ventures.



## Simon Every

### Chief Public Affairs Officer

Effective 1 September 2024

Mr Every leads the CEFC Public Affairs team, which oversees the CEFC relationship with the Australian, State and Territory governments. Mr Every also leads the development of CEFC-related public policy, First Nations matters and CEFC stakeholder relations. From June 2025, 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. He has more than 20 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. He 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. She is a Graduate Member of the Australian Institute of Company Directors. From July 2025, 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.

He 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

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.

His 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.

He 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. He is a Graduate Member of the Australian Institute of Company Directors.



## Executive Team



### 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. She 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 as well as 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.



### 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 high-quality end-user and workplace technology, services and supporting infrastructure, safe, secure and resilient systems as well as information management and enabling business value through digital evolution.

He 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 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. He 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

### General Counsel and Company Secretary

Mr Tolson provides legal and company secretary support to the Board and Executive with respect to CEFC investments, corporate legal matters, governance and reporting.

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

He 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

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

Mr Whalen has more than 25 years' experience in finance, including transaction origination and execution, as well as portfolio management. He 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. He also held positions at ANZ, Macquarie Group, Bankers Trust and King & Wood 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 Team

### 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.

#### 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<sup>1</sup> and provides investment decision support to the Board through the CEO.

#### Growth Capital Investment Committee

This Committee (formerly known as the Impact Investment 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 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.

1. 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.

Values

Impact	Collaboration	Integrity	Innovation
<b>We're driven to make a positive impact</b>  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.	<b>We harness the power of many</b>  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.	<b>We work openly and honestly</b>  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.	<b>We're explorers of new frontiers</b>  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	Act	Behave	Identify	Respect
in a professional manner that fosters trust, confidence and goodwill with our clients, stakeholders, colleagues, suppliers and the community.	with due care, judgement, skill and diligence to promote and protect the reputation of the CEFC.	honestly, fairly and with integrity and treat others equally and with respect, we value differences and maintain a safe working environment.	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.	and maintain privacy and confidentiality.

🔗 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 Figure 3.

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

These activities benefit from the contribution of a diverse range of specialist support areas, including finance, data, analytics and technology, research, legal, corporate governance, compliance, stakeholder engagement, 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 made important organisational enhancements during the reporting year, reflecting our increased capital allocation and the scale and diversity of our activities. Notable developments included:**

Appointment of an experienced Head of Portfolio Management – RTN, to oversee the RTN Fund asset management function. Additionally, engagement models, practices and processes were further refined to enhance the management of these complex transactions.

Enhanced expertise and resources for Sustainability activities, reflecting the organisation’s expanded investment responsibilities and commitment to robust ESG outcomes and climate disclosure.

Creation of a dedicated team to bring a strategic focus to complex decarbonisation challenges, particularly those requiring cross-sector collaboration and multi-technology solutions. The CEFC Vision35 initiative has prioritised investment requirements to deliver consumer/distributed energy resources in line with the AEMO Integrated System Plan.

Development of a tailored Impact Framework to enhance the understanding, measurement, and delivery of impact across multiple economic sectors. This initiative is expected to become a core component of CEFC operations, supporting a deeper understanding of how its investment and leadership activities contribute to policy objectives over the short, medium, and long term.

Integration of the Marketing and Communications function with Public Affairs, to enhance external engagement with the market and stakeholders managed under one Executive (Chief Public Affairs Officer).

Completed an external review of core investment processes to enhance efficiency, clarify roles and responsibilities, and maximise impact, with changes to be implemented in 2025–26.

Talent development

A significant uplift in professional capability was achieved during the reporting period, following the establishment of a strategic learning partnership with an external provider in late 2024. Tailored programs focused on developing emerging talent and new people leaders through targeted feedback, structured training and group coaching. These initiatives aimed to enhance team effectiveness, increase productivity and drive measurable business impact.

In 2024–25, the People and Culture Committee prioritised CEO and Executive succession planning. In response, the Executive Team completed a comprehensive leadership assessment and development program aligned with the CEFC executive leadership framework, delivering targeted feedback to enhance effectiveness and support career progression. In parallel, senior leaders within the investment teams participated in 360-degree feedback sessions to assess their leadership capabilities, followed by development planning aimed at strengthening the pipeline for future executive roles.

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 are able to participate in the CEFC High Performance Incentive Plan.



Figure 3: CEFC organisational structure 2024–25



## Risk management

### Implementation of sound risk management practices throughout the organisation increases the 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 the pursuit of 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, various sub-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.

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

#### 1 First line of defence is the business

Primary responsibility for the identification and management of risk rests with the business. Staff are required to identify, analyse, mitigate, monitor and report risks as part of their day-to-day activities. Investment teams, in particular, play an important role in the first line of defence for the CEFC as they typically are the first to identify and assess potential opportunities.

In practice, the first line of defence plays an important role in structuring transactions so that risks are both identified at an early stage and mitigated, where possible.

#### 2 Second line of defence is the independent credit, risk and compliance team, led by the Chief Risk Officer

The Chief Risk Officer (CRO) leads the credit, risk and compliance team, which forms the second line of defence. This team develops the organisation's risk management framework and supports the business in implementing sound risk management. The team provides independent assessments, challenge, monitoring and reporting of the material risks to the CEFC.

Each investment opportunity is reviewed by the credit function who provide an independent and critical review of the potential transaction as part of the second line of defence. Transactions are assessed against the CEFC's risk appetite statements to ensure a rigorous and consistent approach when assessing opportunities. Risks and mitigants are identified with the relevant credit director assigning a Shadow Credit Rating (based upon the Standard & Poor's methodology) for each debt transaction. The CRO provides advice and recommendations to the relevant Executive or Board committee on each transaction being considered for investment by the CEFC.

The Risk Team considers organisational risk management from a strategic perspective as well as at the individual key risk level. Led by the Head of Risk and Compliance (who reports to the CRO), this team houses the organisation's compliance function that oversees regulatory compliance along with the conduct and integrity practices that apply across the CEFC. The Board is kept informed of the status of CEFC risk and compliance, by the CRO and Head of Risk and Compliance, reporting regularly to the Audit and Risk Committee.

### 3 Third line of defence is an internal audit function, which is outsourced

Internal audit provides independent assurance that the risk management framework is appropriate and is operating effectively, with a strong focus on independent control testing. The CEFC internal audit function is delivered by Grant Thornton, working closely with management, and reports to the Board Audit and Risk Committee. Full access to staff and information is provided when conducting reviews. The Audit and Risk Committee receives internal audit reports and monitors agreed management actions arising from those reports. The Audit and Risk Committee also meets privately (in the absence of management) with the CEFC's internal and external auditors at each meeting.

## Risk appetite

The Board has articulated the organisation's risk appetite through the CEFC's 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 that 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. The CEFC culture encourages employees to identify and report issues so that they may be mitigated and addressed in a timely manner.

## Investment risk

Material investment risks include credit, equity, and the environmental and social risks 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 credit team who reviews and assesses the risks, independent of the team originating 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.

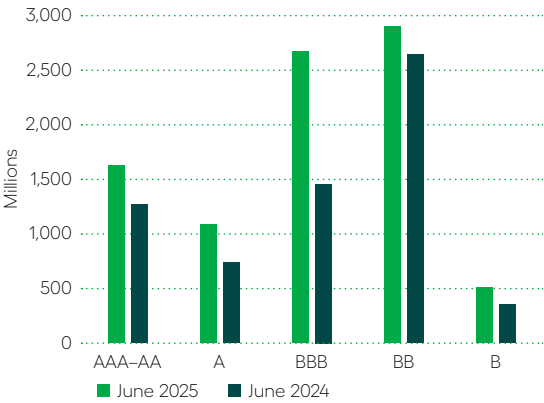
Investment risks in the RTN Fund and the Specialised Investment Funds may be higher and more concentrated when compared with the General Portfolio. This is reflected within the Investment Mandate, as well as the nature of the underlying projects and assets that could lead to a higher level of residual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

Risk management

Credit risk profile

Figure 4 shows the credit risk grade of loans and bonds held by the CEFC. This includes all the funds and portfolios set out in the CEFC Investment Mandate. Overall, there was an improvement in credit quality in 2024-25 when compared to 2023-24 due to continued RTN Fund transactions being closed with entities that enjoy a strong credit rating.

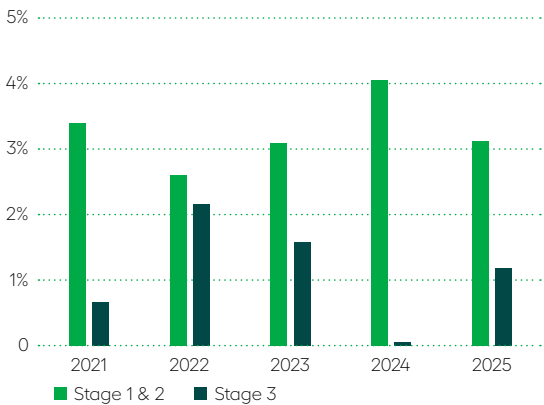
Figure 4: Credit risk profile 2024-25



Loan impairment review

Underlying credit quality for 2024-25 reduced in aggregate with total provisions (Stages 1 and 2) increasing marginally and credit impaired assets (Stage 3) increasing following a historically low Stage 3 provision in the prior year. Loan impairment statistics are shown in Figure 5.

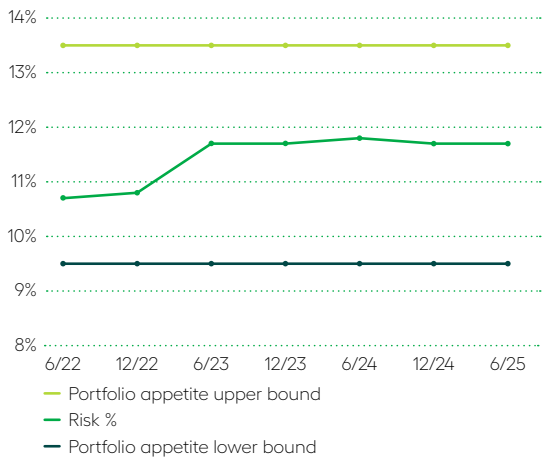
Figure 5: Loan impairment provisions 2024-25



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 2024-25 year remained steady at 11.7 per cent. Figure 6 shows the aggregate level of risk capital over the past three financial years.

Figure 6: General Portfolio: Risk capital as a percentage of gross exposure



Non-investment risks

The key non-investment risks we manage include compliance, conduct and financial crime, environmental and social, information security and cyber, operational, strategic/business and workplace health and safety.

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.

Legislative and government information

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.
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Changes to the CEFC Act

During 2024–25 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 and Perth. 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 2024–25 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 7: Ministers 2024–25

Date	Minister
	<b>The Hon Chris Bowen MP</b> (Responsible & Nominated Minister) Minister for Climate Change and Energy
1 July 2024 to 30 June 2025	<b>Senator the Hon Katy Gallagher</b> (Responsible Minister) Minister for Finance
	<b>Senator the Hon Jenny McAllister<sup>^</sup></b> Assistant Minister for Climate Change and Energy
	<b>The Hon Josh Wilson MP<sup>#</sup></b> Assistant Minister for Climate Change and Energy

Notes:  
<sup>^</sup> Until 29 July 2024.  
<sup>#</sup> From 29 July 2024.

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 2024–25 reporting period.



Legislative and government information

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 2024–25.

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 2024–25 year.

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 1.2 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 2024–25 reporting period.

Other government policy

The CEFC works closely with 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 2024–25, notable examples included assisting DCCEEW, and other relevant departments and portfolio agencies, with aspects relating to the Federal Government’s Climate Disclosure Scheme, continued deployment of the HEUF and RTN programs, input into the development of the First Nations Clean Energy Strategy, the continued formulation of the Australian Government’s Future Made in Australia plan including assisting the development and implementation of Production Tax Credits for renewable hydrogen and critical minerals, development of demand and supply side low carbon liquid fuels policies, input into the refreshed National Hydrogen Strategy and input into the development of the Australian Circular Economy Framework.

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.

Regulatory environment

Australia’s regulatory framework to support decarbonisation continued to strengthen in the 2024–25 year, including:

The New Vehicle Efficiency Standard commenced in January 2025 to incentivise car companies to supply new cars that use less fuel per kilometre and give more choice of fuel-efficient, low and zero emission vehicles.

Mandatory climate-related financial disclosure requirements for large companies and financial institutions commenced in January 2025. The mandatory climate reporting requirements will be phased in over the next few years. Complementary to this is the Commonwealth Climate Disclosure (CCD) policy that applies to Commonwealth entities including the CEFC. Details of the CEFC’s reporting under the CCD is included at Section 4.

The Future Made in Australia plan was legislated; it is aimed at encouraging and facilitating private sector investment needed to enhance opportunities in the net zero global economy.

As part of the Future Made in Australia plan, production tax incentives for renewable hydrogen and critical minerals were legislated to help decarbonise industries and produce and process the minerals needed for the energy transition.

As part of the Future Made in Australia plan, the voluntary Guarantee of Origin (GO) scheme has been established, which provides a framework for emissions accounting of products and certification of renewable electricity.

The Net Zero Economy Authority has been established to coordinate Australia’s pathway to net zero emissions across government and key stakeholders, and to facilitate public and private sector participation, and investment in greenhouse gas emissions reduction as well as net zero transformation initiatives.

Continued development of Australia’s Net Zero Plan, supported by six sectoral emissions reduction plans.

Release of the Australian sustainable finance taxonomy in June 2025, led by the Australian Sustainable Finance Institute.

The Australian Government's \$2.3 billion Cheaper Home Batteries Program opened on 1 July 2025 and is administered by the Clean Energy Regulator (CER). Australian households, businesses and community organisations may be eligible for a discount of around 30 per cent on the upfront cost of installing small-scale battery systems (5 kWh to 100 kWh).

The Capacity Investment Scheme continued to be rolled out, with three tender outcomes announced in 2024–25, including:

- Approval of 19 renewable energy projects representing a total 6.4 GW in the National Electricity Market (NEM)
- Approval of four dispatchable capacity projects representing a total 654 MW or 2,595 MWh in the Western Australian Wholesale Electricity Market (WEM)
- Approval of six dispatchable capacity projects representing a total of 995 MW or 3,626 MWh in the pilot South Australia-Victoria tender.

Two recipients of ARENA's Hydrogen Headstart were announced with \$814 million allocated to Copenhagen Infrastructure Partners' (CIP) 1,500 MW Murchison Green Hydrogen Project in Western Australia and Orica's Hunter Valley Hydrogen Hub set to receive up to \$432 million in grant funding.

## 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 2024–25 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 May 2024 Budget Estimates and February 2025 Additional Estimates.

**March 2025:** The Senate Economic References Committee report: 'Residential electrification'.

**March 2025:** The Senate Environment and Communications Legislation Committee report: 'Annual Reports (No.1 of 2025)'.

**November 2024:** Joint Standing Committee on Aboriginal and Torres Strait Islander Affairs report: 'Inquiry into economic self-determination and opportunities for First Nations Australians'.

**November 2024:** The Senate Select Committee on the Cost of Living report: 'Paying the Price: The Cost of a Crisis on Australians' Standards of Living'.

**September 2024:** The Senate Economics Legislation Committee report: 'Future Made in Australia Bill 2024 [Provisions] and the Future Made in Australia (Omnibus Amendments No.1) Bill 2024 [Provisions]'.

Passing references to the CEFC were made in the following Parliamentary reports:

**November 2024:** Joint Committee of Public Accounts and Audit report: 'Report 506: Inquiry into Commonwealth Financial Statements 2022–23'.

① **Parliamentary Committee reports are available at [aph.gov.au](http://aph.gov.au)**

## Australian National Audit Office (ANAO)

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

**June 2025:** 'Design and Establishment of the National Reconstruction Fund Corporation'.

**February 2025:** 'Audits of the Financial Statements of Australian Government Entities for the Period Ended 30 June 2024'.

① **ANAO reports are available at [anao.gov.au](http://anao.gov.au)**

## Legislative and government information

### 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 8: CEFC procurement contracts in place: 2024–25

Contract date	Value \$	Expensed in 2024–25 \$	Contracting party	Purpose of contract
March 2021	5,890,131	1,171,894	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	881,843	549,889	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 April 2026
July 2022	363,220	125,620	HLB Mann Judd Corporate Advisory (NSW) Pty Ltd	Valuation review of Innovation Fund investments for the three years ending 30 June 2023 to 30 June 2025
July 2022	956,014	429,929	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 July 2022 to 30 September 2026
October 2022	5,648,017	810,042	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	371,561	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
March 2023	218,247	89,272	Theorem Consulting Pty Ltd	Consulting fees during the period 14 March 2023 through 15 March 2025, in support of a transaction
May 2023	142,998	41,184	Kroll Australia Pty Ltd	Valuation review of certain direct equity investments for the three years ending 30 June 2023 to 30 June 2025
July 2023	149,600	74,800	Baringa Partners LLP	Baringa NEM Reference Case and Baringa NEM Flexibility Market reports covering the period from 1 July 2023 to 30 June 2025
July 2023	791,358	364,129	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

Contract date	Value \$	Expensed in 2024–25 \$	Contracting party	Purpose of contract
January 2024	519,089	117,646	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
June 2024	142,340	89,513	Anaura Consulting Pty Ltd	Executive team talent assessment and development program covering the period 14 June 2024 to 28 February 2025
July 2024	84,111	84,111	Aurora Energy Research Pty Ltd	National Electricity Market (NEM) subscription for the period 1 July 2024 to 30 June 2025
July 2024	256,182	256,182	Australian Government Comcover	General, professional indemnity, D&O, property including business interruption and travel insurance for the period 1 July 2024 to 30 June 2025
July 2024	822,734	442,811	Bloomberg Australia Pty Ltd	Bloomberg terminals for the year to June 2025 and BloombergNEF Anywhere Service contracted from July 2024 to June 2026
July 2024	553,068	553,068	Brennan IT Pty Limited	Purchase of computer hardware, applications licensing and IT support services
July 2024	1,311,701	1,311,701	CTM Group Pty Ltd	Work travel and accommodation costs for period 1 July 2024 to 30 June 2025 under the whole of government travel procurement program
July 2024	342,622	342,622	Datacom Systems Pty Ltd	IT support, applications licensing and IT hardware procurement for the period 1 July 2024 to 30 June 2025
July 2024	142,209	142,209	DLA Piper Australia	Legal fees incurred in relation to various investment projects for the period 1 July 2024 to 30 June 2025
July 2024	159,148	159,148	DQT Systems Pty Ltd	Technical web services support for external-facing website
July 2024	300,000	300,000	Grant Thornton Australia Limited	Internal Audit engagement for the period 1 July 2024 to 30 June 2025
July 2024	109,869	109,869	Green Building Council of Australia	Sponsorship of Transform 2025 Conference and contribution to various joint research projects
July 2024	435,965	435,965	Herbert Smith Freehills	Legal fees incurred in relation to various investment projects for the period 1 July 2024 to 30 June 2025
July 2024	146,417	146,417	JB Hi-Fi Group Pty Ltd	Technology and equipment purchases during the period 1 July 2024 to 30 June 2025
July 2024	255,972	255,972	King & Wood Mallesons	Legal fees incurred in relation to various investment projects for the period 1 July 2024 to 30 June 2025

## Legislative and government information

Contract date	Value \$	Expensed in 2024–25 \$	Contracting party	Purpose of contract
July 2024	350,305	350,305	N. Stanford	Consultant supporting investments by the Powering Australia Technology Fund (PATF) during the period 26 July 2024 to 30 June 2025
July 2024	346,170	234,630	Power Productivity Pty Ltd	Technical engineering and costing review consultancy services in support of transactions
July 2024	145,331	145,331	S&P Global Market Intelligence LLC	Annual access to S&P intelligence platforms
July 2024	143,714	6,402	Sodali & Co Pty Limited	Design, development and production of the 2023–24 CEFC Annual Report including the Transparency Portal
July 2024	135,984	135,984	The Hong Kong and Shanghai Banking Corporation Limited	Bond custody fees for the period 1 July 2024 to 30 June 2025
July 2024	6,299,600	4,257,940	Virescent Ventures Pty Ltd	Investment Management Services for the Clean Energy Innovation Fund and certain Powering Australia Technology Fund Investments for the period 1 July 2024 to 31 December 2025
August 2024	256,986	159,421	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
August 2024	99,000	99,000	Thesoco Pty Ltd trading as SOCO	Software development, support and training to enhance automated workflow approval processes
September 2024	359,097	139,097	Abbey West Pty Ltd trading as Media & Capital Partners	Media relations services for the period from 29 September 2024 to 30 June 2026
September 2024	305,444	305,444	Deloitte Access Economics	Consultancy services to develop and present the CEFC Investment Impact Framework Gateway
October 2024	214,500	214,500	Coxswain Alliance Pty Ltd	Consultancy services provided in connection with a CEFC Investment Process Review and Improvement Project
October 2024	271,076	271,076	Deloitte SRT Pty Ltd	Low carbon liquid fuels market assessment
November 2024	131,240	131,240	Allens	Legal fees incurred in relation to various investment projects for the period 1 November 2024 to 30 June 2025
January 2025	233,514	233,514	KPMG	Services associated with reviewing CEFC's Commonwealth Climate Disclosures and Social Licence Due Diligence Framework
February 2025	104,657	93,767	Diligent Board Services Australia Pty Ltd	Diligent Board subscription for one year from 16 February 2025 to 15 February 2026



Contract date	Value \$	Expensed in 2024–25 \$	Contracting party	Purpose of contract
January 2025	94,968	84,962	Reval.com Inc	One year licence fee renewal, maintenance and support for Loan Management System commencing January 2025
May 2025	286,000	108,747	Telstra Limited	Mobile and data services for the period 20 May 2025 to 19 May 2027
June 2025	236,500	236,500	Australian National Audit Office	Audit of financial statements for year ended 30 June 2025
<b>Total</b>	<b>32,560,271</b>	<b>15,983,414</b>		

## 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 9.

Figure 9: Indemnities and insurance premiums for ‘officers’: 2024–25

Indemnity/insurance	Officers covered	Coverage period	Premium/fees
Comcover Insurance for Directors’ and Officers’ Liability	All Board members and Officers	1 July 2024 to 30 June 2025	\$54,138
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 2024 to 30 June 2025	\$68,003
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.

# Rigorous financial information about our operations

## Financial Information

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

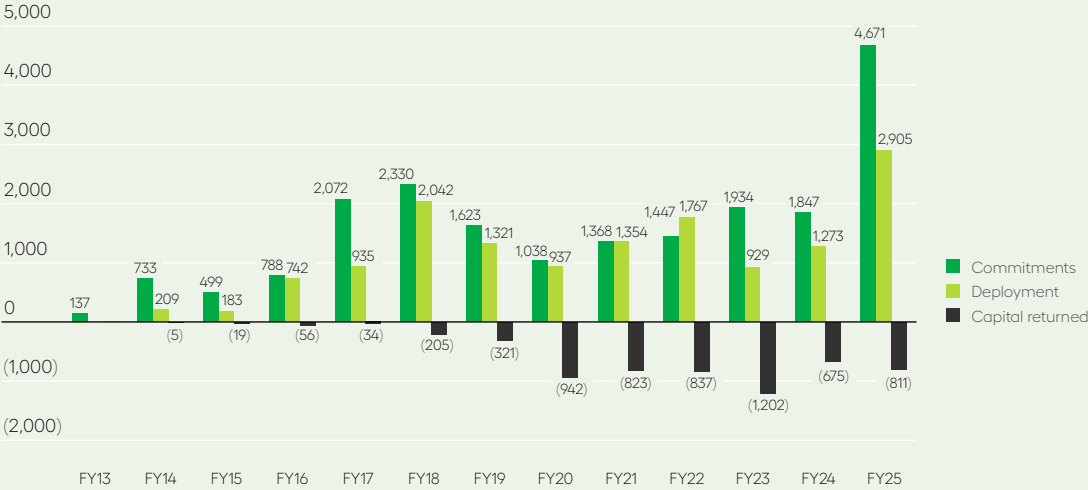
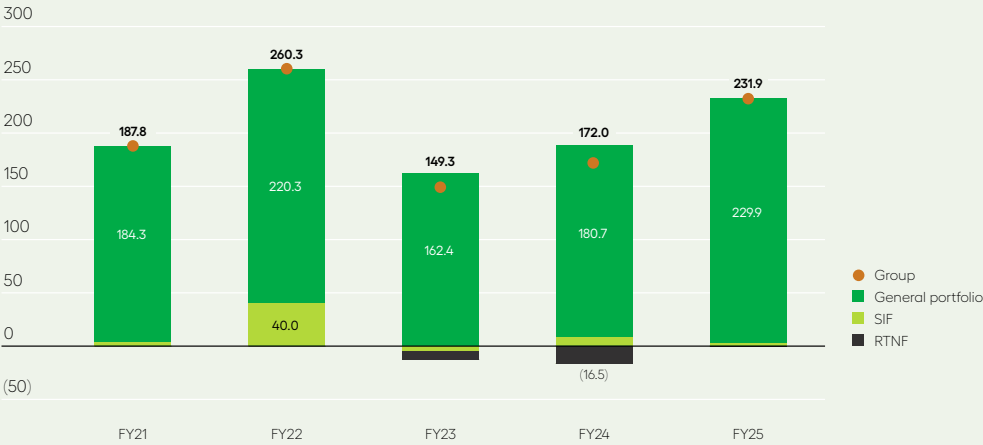


Figure 11: Normalised surplus/(loss) from operations by segment (\$m)



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 Rewiring the Nation Fund (RTNF) Segment is showing a normalised operating loss as significant amounts of capital were not deployed into projects until 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 12: Reconciliation of surplus/(loss) from operations to normalised surplus from operations (\$m)

	FY21	FY22	FY23	FY24	FY25
Reported surplus/(loss) from operations	144.5	189.5	174.9	(215.9)	408.4
Less: Funding received from the Australian Government	(4.3)	(7.1)	(12.6)	(20.8)	(20.8)
Less: Interest on CEFC bank accounts	(1.4)	(1.4)	(18.2)	(29.4)	(87.2)
Less: Fair value (gains)/losses from loans and bonds at fair value through profit & loss (FVTPL) net of realised (gains)/losses on sale	23.9	81.4	5.4	(11.3)	(23.0)
Less: Concessional discount unwind	(6.0)	(5.3)	(4.6)	(6.2)	(19.8)
Add: Concessional expense/(reversal)	9.2	8.4	13.7	456.6	(25.6)
Less: Loan modification unwind	(2.7)	(6.2)	(4.5)	(2.9)	(3.8)
Add: Loan modification expense/(reversal)	24.5	1.1	(4.8)	2.0	3.6
<b>Normalised surplus from operations</b>	<b>187.8</b>	<b>260.3</b>	<b>149.3</b>	<b>172.0</b>	<b>231.9</b>

## Notes:

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

- Operational funding received from the Australian Government
- Interest received on cash in CEFC bank accounts
- 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

Figure 13: Deployed portfolio balance by investment type at 30 June (\$m)

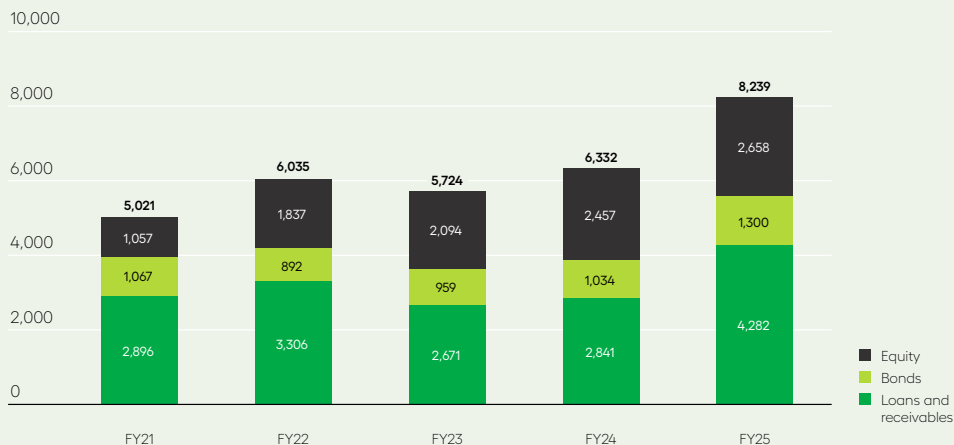
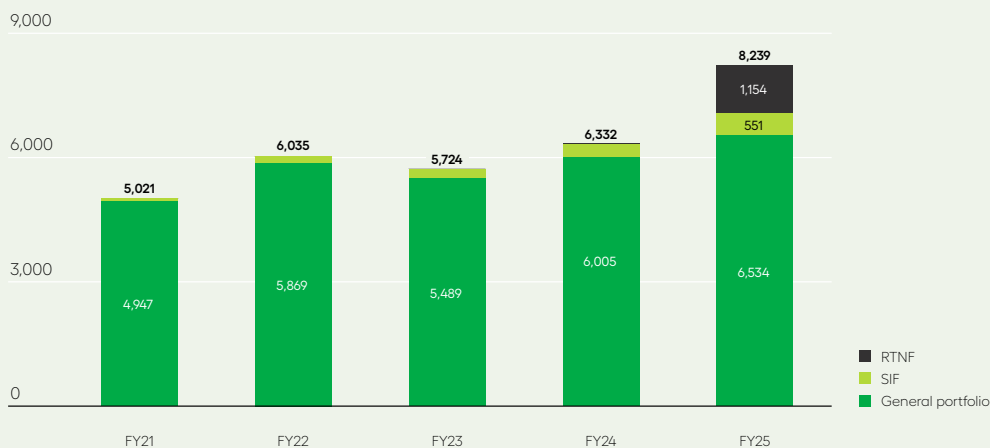


Figure 14: Deployed portfolio balance by segment at 30 June (\$m)





## Summary financial data

### B. Benchmark rates of return

Figure 15: CEFC General Portfolio benchmark rate of return (PBR)<sup>1</sup> (%)

	30 June 2025 Actual	30 June 2025 Normalised
Cumulative return <sup>2</sup>	4.25 <sup>3,4</sup>	4.16 <sup>3,4</sup>
PBR target <sup>1</sup>	3.88–4.88	3.88–4.88
Annualised return	4.63 <sup>5,6</sup>	4.29 <sup>5,6</sup>
Annualised PBR target <sup>1</sup>	3.98–4.98	3.98–4.98

Notes:

1. The targeted 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.
3. Includes 0.34% fair value gains on equity investments at FVTPL.
4. Net of 0.58% relating to impairment allowance for portfolio losses.
5. Includes 0.64% relating to equity returns from joint ventures and associates.
6. Net of 0.83% relating to impairment allowance for portfolio losses.

Figure 16: Specialised Investment Funds PBR (%)

30 June 2025	CEIF	AHF	PATF	HEUF
Cumulative return <sup>2</sup>	7.84	0.98	13.64	6.53
PBR target <sup>1</sup>	2.86	1.66	4.60	4.38
Annualised return <sup>3</sup>	14.96	1.22	-7.76	6.57
Annualised PBR target <sup>1</sup>	3.09	1.80	4.68	4.38

Notes:

#### Clean Energy Innovation Fund PBR (%)

1. The CEIF targeted PBR, established in the Investment Mandate Direction 2023, is the 5 year bond rate +1%.
2. Lifetime returns include 7.94% of net gains in estimated fair value of early-stage equity investments that are still in the portfolio.
3. Annualised returns include 14.89% of net gains in estimated fair value of early-stage equity investments that are still in the portfolio.

#### Advancing Hydrogen Fund PBR (%)

1. The AHF targeted 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 2025. While the AHF is performing below its target benchmark rate of return, this is to be expected as it has only deployed c.\$16m to date across two transactions, and the hydrogen industry in Australia is still early stage.

#### Powering Australia Technology Fund PBR (%)

1. The PATF targeted 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 2025. The large cumulative PATF return relative to the PBR target is a result of a large valuation gain on a single investment relative to a comparatively small asset base and should not be viewed as representative of the medium to long-term performance of the PATF.
3. The annualised loss is largely a result of 4.45% of equity accounted losses on early-stage equity investments where the 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, as well as a net 3.10% charge relating to impairment allowance for portfolio losses on loans.

#### Household Energy Upgrades Fund PBR (%)

1. The HEUF targeted PBR, established in the Investment Mandate Direction 2023, is the 5 year bond rate +0.5%. The cumulative return includes 2.68% related to unrealised gains on bonds held at fair value. If these bonds are held to maturity (as is expected) then these gains will reverse and the return will be a resultant 2.68% lower.
2. 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 2025. The annualised return includes 2.70% related to unrealised gains on bonds held at fair value. If these bonds are held to maturity (as is expected) then these gains will reverse and result in a lower return in one or more future periods.

## Rewiring the Nation Fund PBR<sup>1</sup>(%)

	30 June 2025 Cumulative Actual	30 June 2025 Annualised
Return <sup>2</sup> as a ratio of CEFC direct costs	0.595 : 1.000	0.974 : 1.000
Return <sup>2</sup> as a ratio of CEFC direct costs including the Australian Government's cost of capital <sup>3</sup>	0.435 : 1.000	0.593 : 1.000

### Notes:

1. The Rewiring the Nation Fund targeted PBR, established in the Investment Mandate Direction 2023, is an average return of at least the Corporation's cost of the RTNF 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 return is a fraction of the costs incurred to date on the RTNF as the fund has only recently commenced deploying significant amounts of capital which generate a return.

## C. Concession

Figure 17: Disaggregated value of net concession provided for each of the General Portfolio and Sub-Funds

Under the 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.

	FY25 \$'000	FY24 \$'000
General Portfolio	20,099	4,288
Advancing Hydrogen Fund	–	595
Clean Energy Innovation Fund	–	–
Powering Australia Technology Fund	(107)	813
Household Energy Upgrades Fund	6,427	6,715
<b>Subtotal</b>	<b>26,419</b>	<b>12,411</b>
Rewiring the Nation Fund	(52,003)	444,167
<b>Total concessional loan (reversal)/charge</b>	<b>(25,584)</b>	<b>456,578</b>
<b>Disclosed in the financial statements as:</b>		
Concessional loan charges on commitments during the year	141,039	458,026
Reversal of concessional loan charges on prior period commitments, due to reduction, expiration or early termination of concessional loan arrangements	(166,622)	(1,448)
<b>Total concessional loan (reversal)/charge</b>	<b>(25,584)</b>	<b>456,578</b>

Summary financial data

D. Segmental summary financial data

D1. General Portfolio

Figure 18: General Portfolio new commitments, deployment and capital returned (\$m)

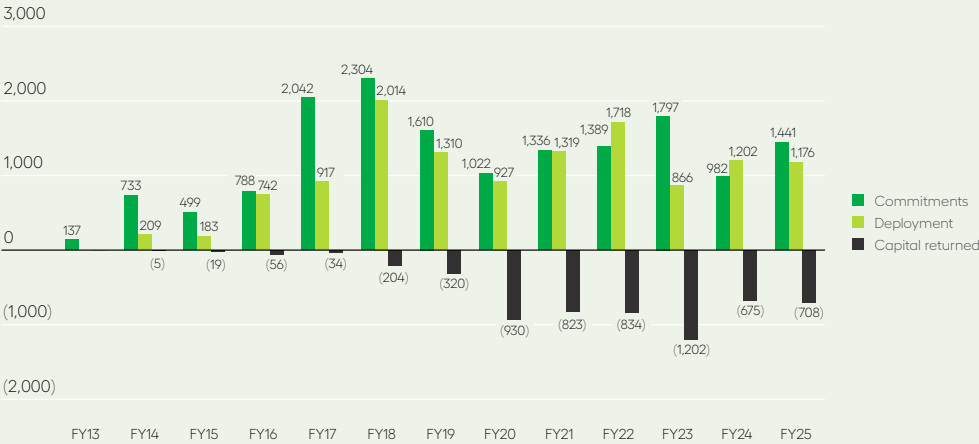


Figure 19: Deployed General Portfolio balance at 30 June (\$m)

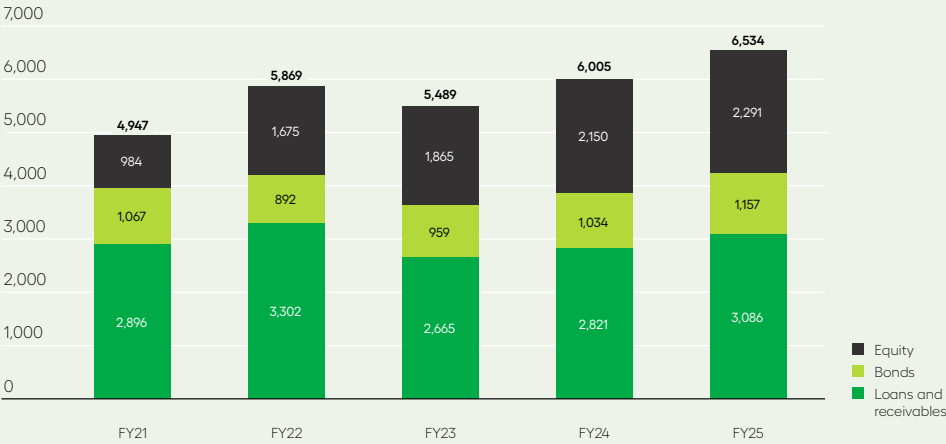


Figure 20: Normalised General Portfolio surplus from operations (\$m)

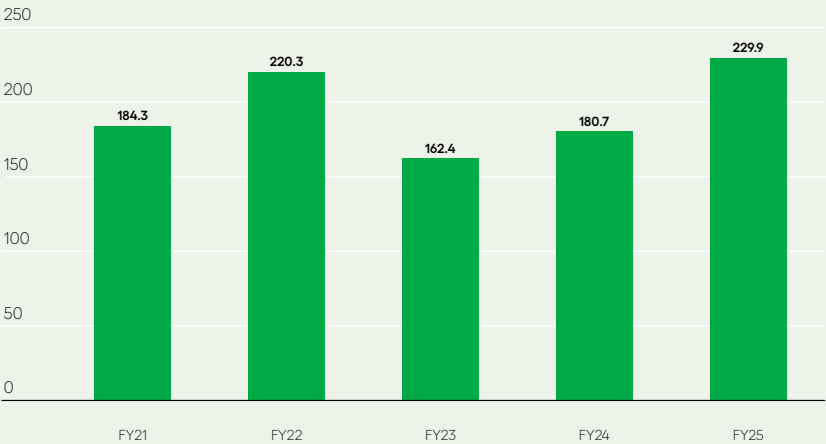


Figure 21: Reconciliation of General Portfolio surplus from operations to normalised surplus from operations (\$m)

	FY21	FY22	FY23	FY24	FY25
Reported surplus from operations	141.0	147.7	176.6	218.7	255.9
Less: Funding received from the Australian Government	(4.3)	(4.5)	(1.1)	–	–
Less: Interest on CEFC bank accounts	(1.4)	(1.4)	(18.0)	(23.3)	(18.3)
Less: Fair value (gains)/losses from loans and bonds at fair value through profit and loss (FVTPL) net of realised (gains)/losses on sale	23.9	81.4	5.4	(11.3)	(21.0)
Less: Concessional discount unwind	(6.0)	(5.3)	(4.5)	(6.1)	(6.8)
Add: Concessional expense	9.2	7.5	13.3	4.3	20.1
Less: Loan modification unwind	(2.7)	(6.2)	(4.5)	(2.9)	(3.7)
Add: Loan modification expense/(reversal)	24.5	1.1	(4.8)	1.3	3.6
<b>Normalised surplus from operations</b>	<b>184.3</b>	<b>220.3</b>	<b>162.4</b>	<b>180.7</b>	<b>229.9</b>

Figure 22: General Portfolio own-source revenue (\$m)

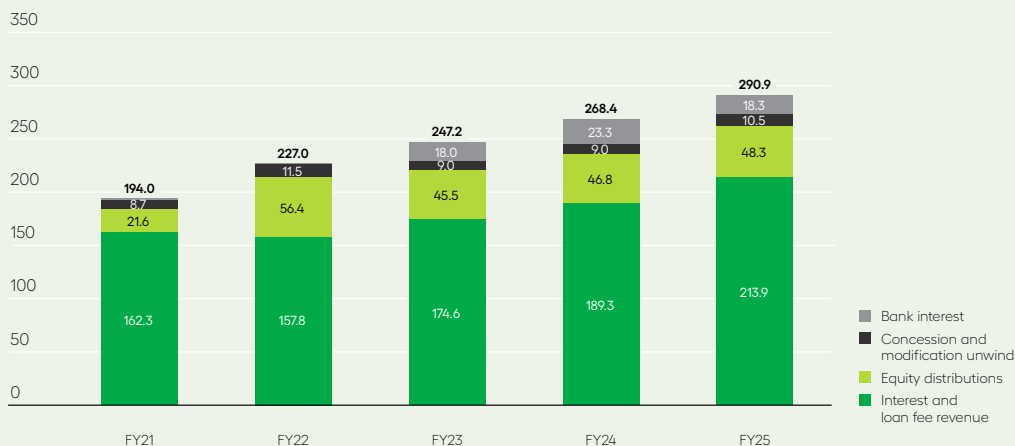
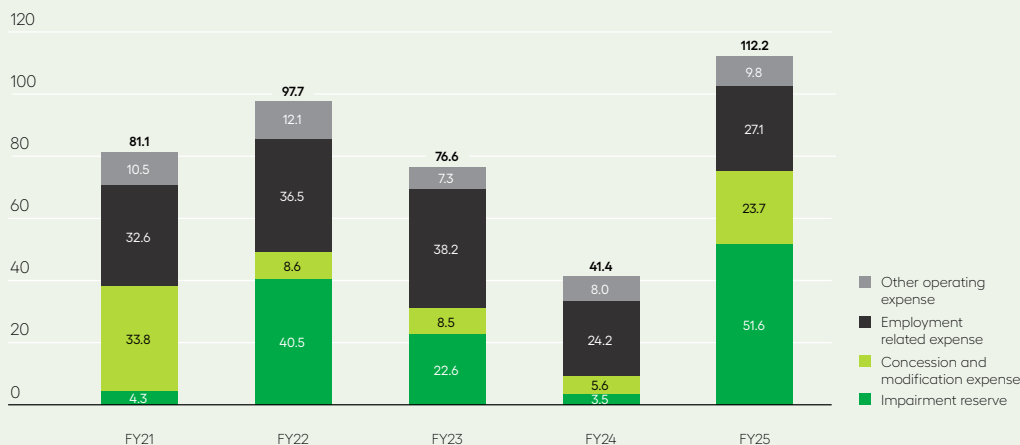


Figure 23: General Portfolio operating expenses, impairment, concession, modification (\$m)



Note: Employee costs attributed to the General Portfolio decreased after FY23, as internal resources were partially reallocated towards working on the RTNF and SIF segments.

Summary financial data

D2. Specialised Investment Funds

Figure 24: Specialised Investment Funds new commitments, deployment and capital returned (\$m)

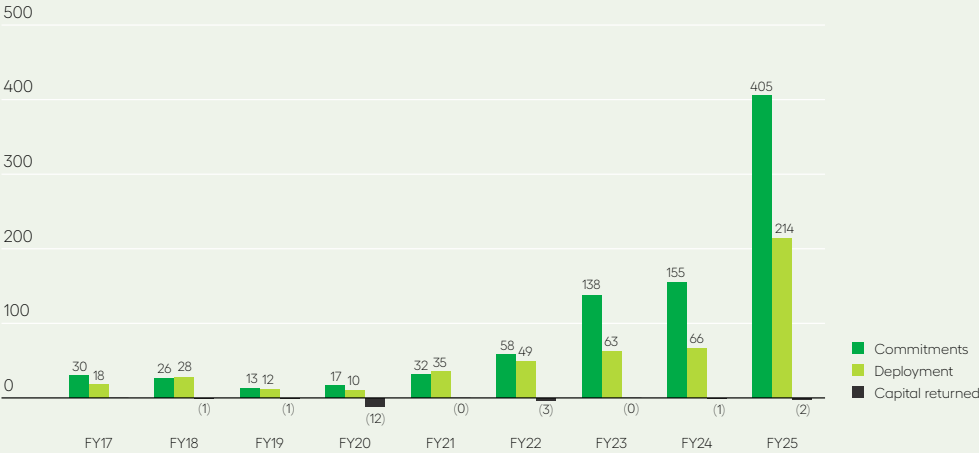


Figure 25: Deployed Specialised Investment Funds balance at 30 June (\$m)

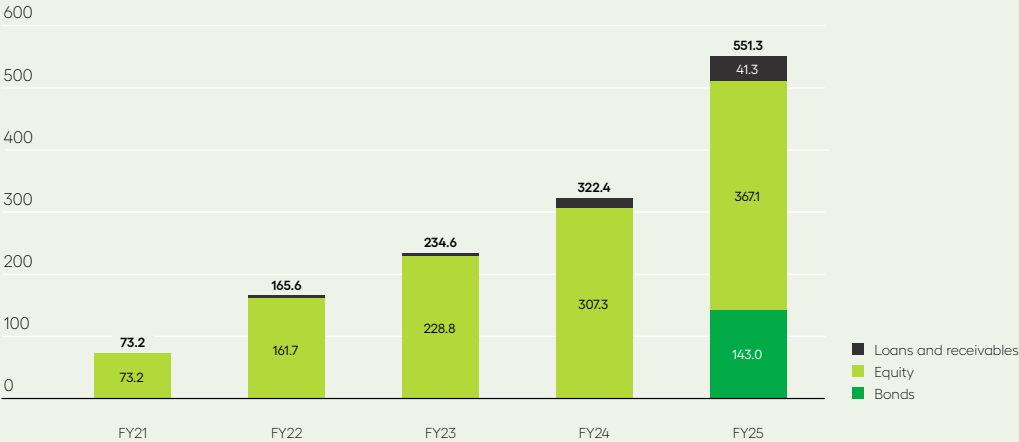


Figure 26: Deployed Specialised Investment Funds balance by Fund at 30 June (\$m)

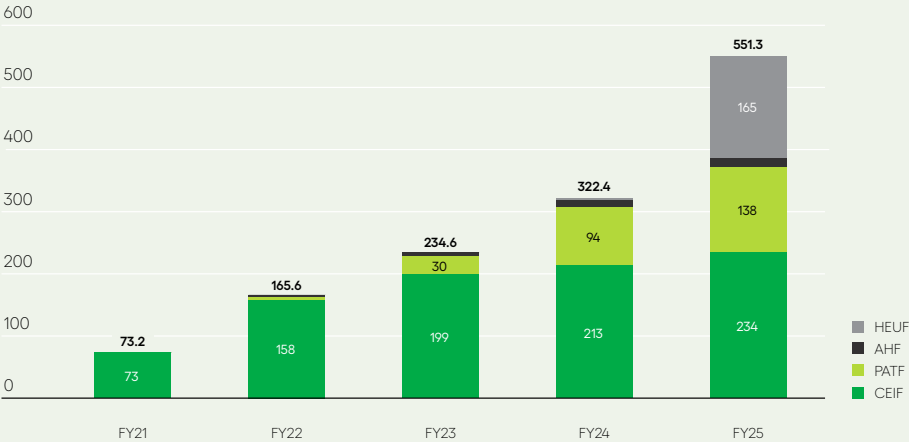


Figure 27: Specialised Investment Funds normalised surplus/(loss) from operations (\$m)

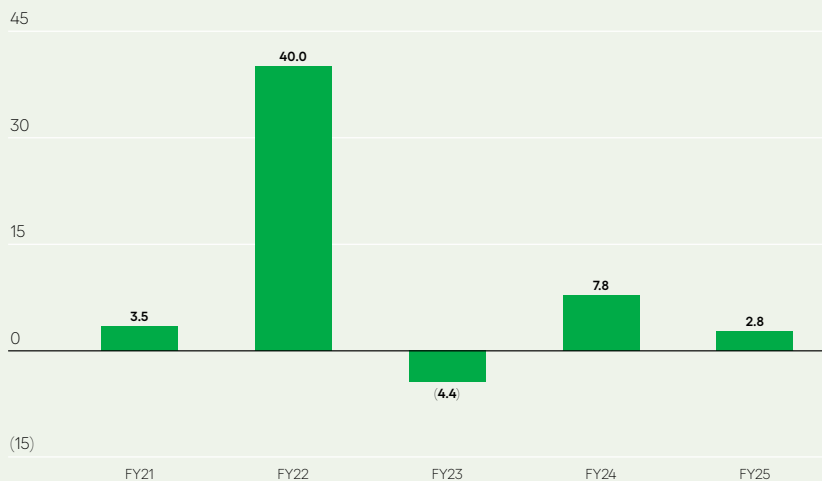


Figure 28: Reconciliation of Specialised Investment Funds surplus/(loss) from operations to normalised surplus/(loss) from operations (\$m)

	FY21	FY22	FY23	FY24	FY25
Reported surplus/(loss) from operations	3.5	41.8	(1.1)	7.1	7.9
Less: Funding received from the Australian Government	–	(2.6)	(3.5)	(7.3)	(6.5)
Less: Interest on CEFC bank accounts	–	(0.0)	(0.1)	(0.7)	(2.1)
Less: Fair value (gains)/losses from loans and bonds at fair value through profit and loss (FVTPL) net of realised (gains)/losses on sale	–	–	–	–	(2.0)
Less: Concessional discount unwind	–	(0.0)	(0.1)	(0.1)	(0.6)
Add: Concessional expense	–	0.8	0.4	8.1	6.3
Less: Loan modification unwind	–	–	–	(0.0)	(0.1)
Add: Loan modification expense	–	–	–	0.7	–
<b>Normalised surplus/(loss) from operations</b>	<b>3.5</b>	<b>40.0</b>	<b>(4.4)</b>	<b>7.8</b>	<b>2.8</b>



Summary financial data

Figure 29: Specialised Investment Funds own-source revenue (\$m)

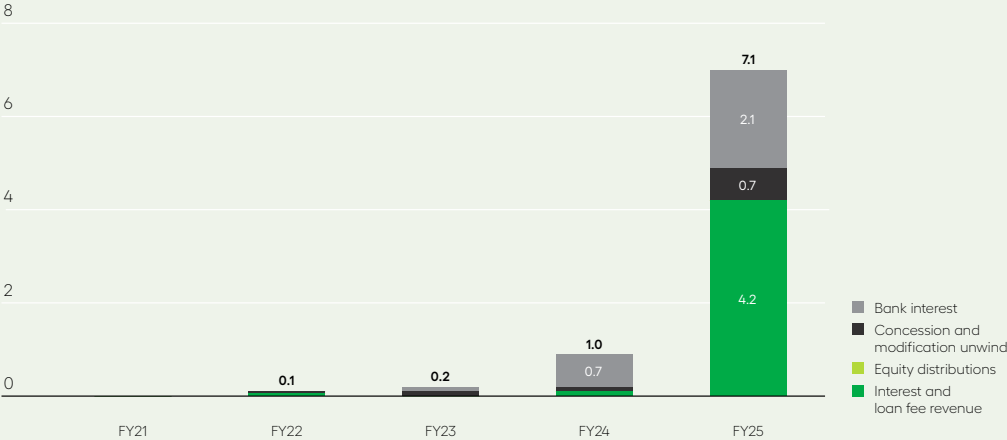


Figure 30: Specialised Investment Funds fair value gains and losses (\$m)

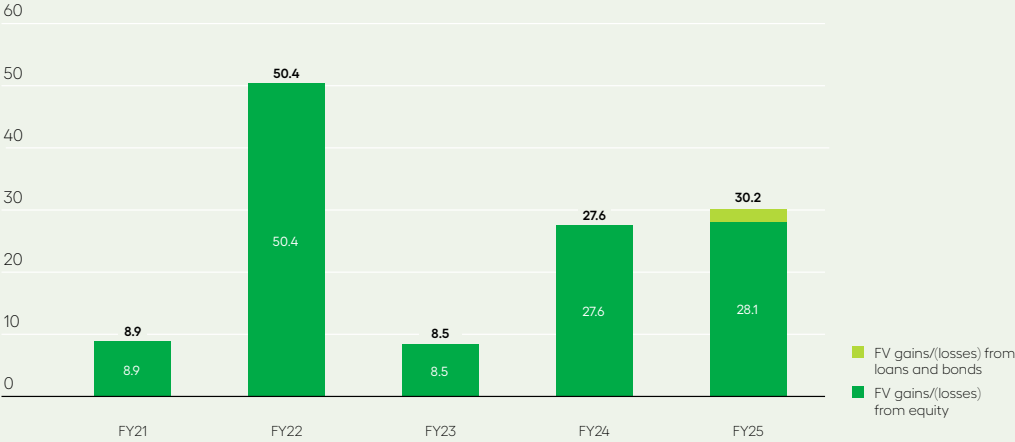
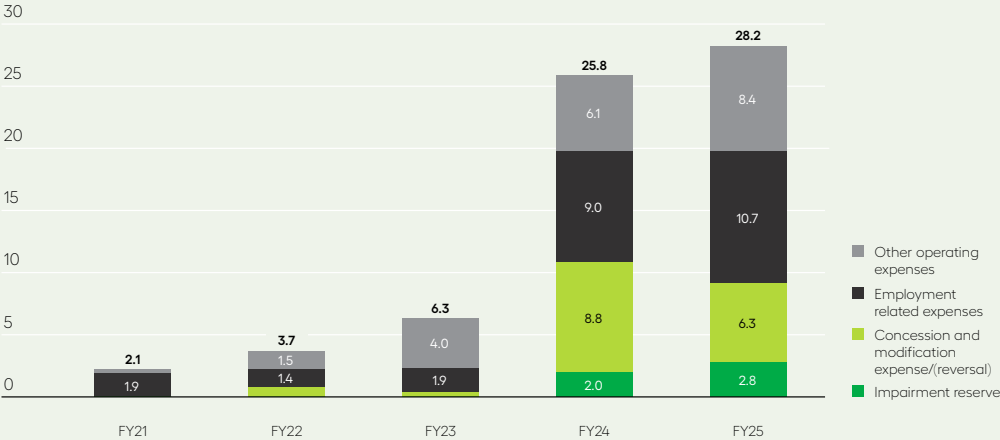


Figure 31: Specialised Investment Funds operating expenses, impairment, concession, modification (\$m)



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

D3. Rewiring The Nation Fund

Figure 32: RTNF new contractual commitments, deployment and capital returned (\$m)

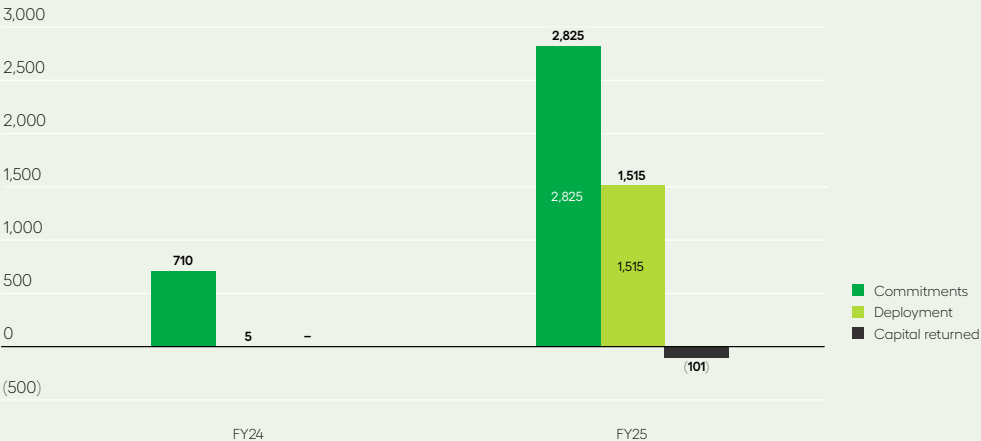


Figure 33: RTNF own-source revenue (\$m)

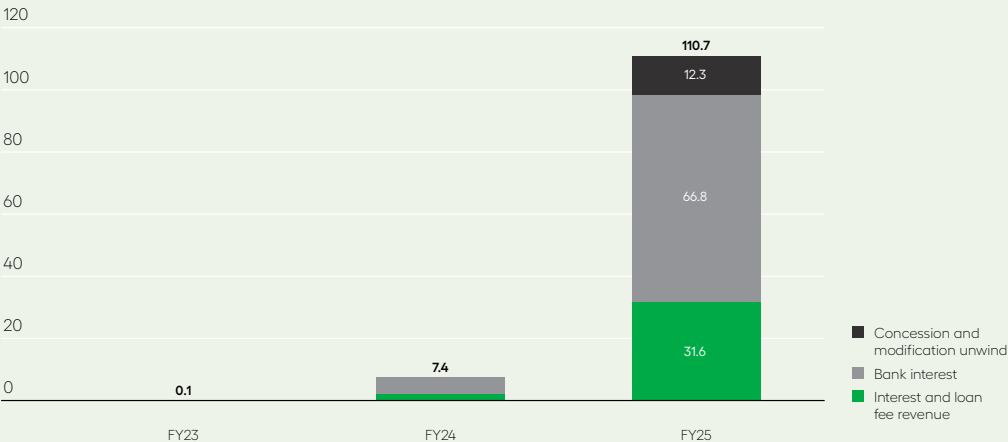
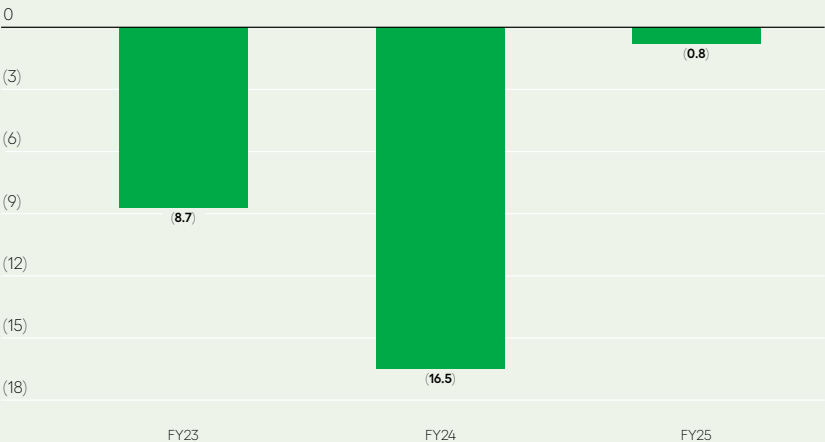


Figure 34: RTNF normalised loss from operations (\$m)

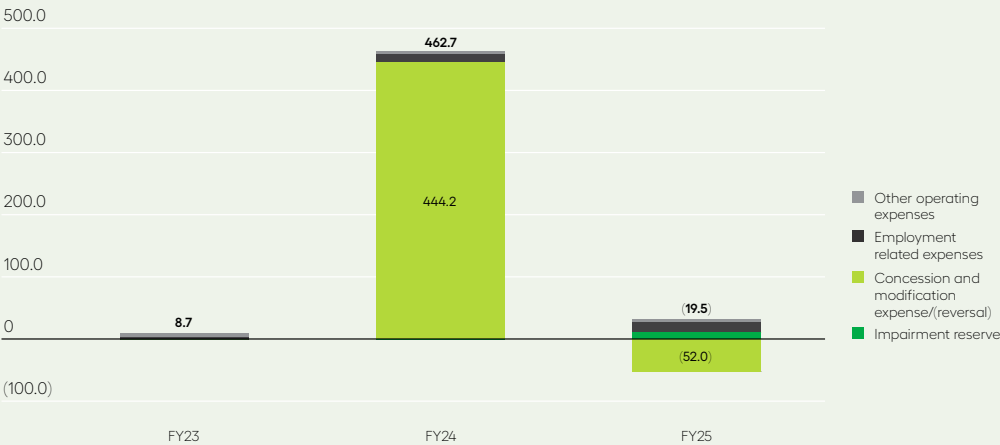


Summary financial data

Figure 35: Reconciliation of RTNF surplus/(loss) from operations to normalised loss from operations (\$m)

	FY23	FY24	FY25
Reported surplus/(loss) from operations	(0.6)	(441.7)	144.5
Less: Funding received from the Australian Government	(8.0)	(13.5)	(14.3)
Less: Interest on CEFC bank accounts	(0.1)	(5.4)	(66.8)
Less: Concessional discount unwind	–	(0.0)	(12.3)
Add: Concessional expense/(reversal)	–	444.2	(52.0)
<b>Normalised loss from operations</b>	<b>(8.7)</b>	<b>(16.5)</b>	<b>(0.8)</b>

Figure 36: RTNF 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 2025:

- (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 2025 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 2025 and for the year then ended:

- Statement by the Accountable Authority, Chief Executive and Chief Financial Officers;
- 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 2025 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

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 Deputy Auditor-General

Canberra  
27 August 2025

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 2025 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
27 August 2025	27 August 2025	27 August 2025	27 August 2025



## Consolidated Statement of Comprehensive Income

for the year ended 30 June

	Notes	2025 \$'000	2024 \$'000
<b>NET COST OF SERVICES</b>			
<b>EXPENSES</b>			
Employee benefits	2.1A	52,743	45,013
Suppliers	2.1B	21,371	16,949
Depreciation and amortisation	3.2A	3,948	3,753
Finance costs	2.1F	211	254
Concessional loan charges	2.1C	141,038	458,026
Impairment loss allowance on financial assets	2.1D	64,218	(1,826)
Losses from disposal of assets	2.2D	–	14,949
<b>Total expenses</b>		<b>283,529</b>	<b>537,118</b>
<b>OWN-SOURCE INCOME</b>			
<b>Own-source revenue</b>			
Interest and loan fee revenue	2.2A	360,454	230,047
Distributions from trusts and equity investments	2.2B	48,287	46,797
<b>Total own-source revenue</b>		<b>408,741</b>	<b>276,844</b>
<b>GAINS AND LOSSES</b>			
Fair value losses on financial instruments	2.1E	(50,707)	(120,796)
Fair value gains on financial instruments	2.2C	104,480	129,233
Profit from disposal of assets	2.2D	13,847	–
Loss on modification of financial assets	2.1G	(3,628)	(1,988)
Reversal of prior period concessional loan charges	2.1C	166,622	1,448
<b>Total net gains</b>		<b>230,614</b>	<b>7,897</b>
<b>Total own-source income</b>		<b>639,355</b>	<b>284,741</b>
<b>Net contribution by/(cost of) services</b>		<b>355,826</b>	<b>(252,377)</b>
Revenue from government	2.3	20,800	20,811
Share of associates and joint ventures	3.1F	31,736	15,657
<b>Surplus/(loss) from continuing operations</b>		<b>408,362</b>	<b>(215,909)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items not subject to subsequent reclassification to net cost of services</b>			
Share of associates and joint ventures asset revaluation reserve	2.4A	9,286	4,174
<b>Items subject to subsequent reclassification to net cost of services</b>			
Share of associates gains/(losses) on financial assets at fair value through other comprehensive income	2.4A	(5,740)	2,115
<b>Total comprehensive income/(loss)</b>		<b>411,908</b>	<b>(209,620)</b>

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

## Consolidated Statement of Financial Position

as at 30 June

	Notes	2025 \$'000	2024 \$'000
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	3.1A	1,612,262	1,081,370
Trade and other receivables	3.1B	38,909	31,923
Loans and advances	3.1C	4,011,491	2,708,167
Other debt securities	3.1D	1,297,502	1,032,099
Equities and units in trusts	3.1E	1,806,449	1,778,267
Equity accounted investments	3.1F	775,005	665,230
Derivative financial assets	3.1G	13,956	13,358
<b>Total financial assets</b>		<b>9,555,574</b>	<b>7,310,414</b>
<b>Non-financial assets</b>			
Property, plant and equipment	3.2A	8,224	11,407
Prepayments		2,502	2,244
<b>Total non-financial assets</b>		<b>10,726</b>	<b>13,651</b>
Assets held for sale	3.1H	135,394	–
<b>Total assets</b>		<b>9,701,694</b>	<b>7,324,065</b>
<b>LIABILITIES</b>			
<b>Payables and deferred revenue</b>			
Suppliers		8,376	4,875
Deferred revenue	3.3A	49,637	32,955
Other payables	3.3B	15,697	13,992
<b>Total payables and deferred revenue</b>		<b>73,710</b>	<b>51,822</b>
<b>Interest bearing liabilities</b>			
Leases	3.4	5,689	7,976
<b>Total interest-bearing liabilities</b>		<b>5,689</b>	<b>7,976</b>
<b>Provisions</b>			
Employee provisions	5.1	6,853	5,748
Concession on undrawn loan commitments	3.5	142,323	462,308
Provision for make good of leased premises		598	598
<b>Total provisions</b>		<b>149,774</b>	<b>468,654</b>
<b>Total liabilities</b>		<b>229,173</b>	<b>528,452</b>
<b>Net assets</b>		<b>9,472,521</b>	<b>6,795,613</b>
<b>EQUITY</b>			
Contributed equity	4.1	8,178,363	5,913,363
Reserves	2.4A	27,366	23,820
Retained surplus		1,266,792	858,430
<b>Total equity</b>		<b>9,472,521</b>	<b>6,795,613</b>

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		Reserves		Contributed Equity		Total Equity	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<b>Opening balance</b>								
Balance carried forward from previous year	858,430	1,074,339	23,820	17,531	5,913,363	5,013,363	6,795,613	6,105,233
<b>Comprehensive income</b>								
Surplus/(Loss) for the year	408,362	(215,909)	–	–	–	–	408,362	(215,909)
Other comprehensive income	–	–	3,546	6,289	–	–	3,546	6,289
<b>Total comprehensive income/(loss)</b>	<b>408,362</b>	<b>(215,909)</b>	<b>3,546</b>	<b>6,289</b>	<b>–</b>	<b>–</b>	<b>411,908</b>	<b>(209,620)</b>
<b>Transactions with owners</b>								
<b>Contributions by owners</b>								
Equity injection from CEFC Special Account	–	–	–	–	3,465,000	1,060,000	3,465,000	1,060,000
Return of equity to CEFC Special Account	–	–	–	–	(1,200,000)	(160,000)	(1,200,000)	(160,000)
<b>Total transactions with owners</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2,265,000</b>	<b>900,000</b>	<b>2,265,000</b>	<b>900,000</b>
<b>Closing balance as at 30 June</b>	<b>1,266,792</b>	<b>858,430</b>	<b>27,366</b>	<b>23,820</b>	<b>8,178,363</b>	<b>5,913,363</b>	<b>9,472,521</b>	<b>6,795,613</b>

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

## Consolidated Cash Flow Statement

for the year ended 30 June

	Notes	2025 \$'000	2024 \$'000
OPERATING ACTIVITIES			
<b>Cash received</b>			
Receipts from Government		20,800	20,811
Interest and fees		328,476	231,914
Income distributions from trusts and equity investments		47,612	45,462
<b>Total cash received</b>		<b>396,888</b>	<b>298,187</b>
<b>Cash used</b>			
Employees		49,301	43,542
Suppliers		20,296	17,861
Interest payments on lease liabilities		164	198
<b>Total cash used</b>		<b>69,761</b>	<b>61,601</b>
<b>Net cash from operating activities</b>		<b>327,127</b>	<b>236,586</b>
INVESTING ACTIVITIES			
<b>Cash received</b>			
Principal loan repayments received		533,976	540,817
Sale of other debt securities		162,263	63,880
Sale of equities and units in trusts		62,758	2,800
Sale of investment in associates and joint ventures		27,770	12,582
Distributions from associates and joint ventures		10,247	23,640
<b>Total cash received</b>		<b>797,014</b>	<b>643,719</b>
<b>Cash used</b>			
Loans made to other parties		2,222,319	742,064
Purchase of other debt securities		412,718	118,988
Purchase of equities and units in trusts		112,229	193,842
Investment in associates and joint ventures		107,931	194,981
Purchase of property, plant and equipment		715	749
<b>Total cash used</b>		<b>2,855,912</b>	<b>1,250,624</b>
<b>Net cash from/(used by) investing activities</b>		<b>(2,058,898)</b>	<b>(606,905)</b>
FINANCING ACTIVITIES			
<b>Cash received</b>			
Contributed equity		3,465,000	1,060,000
<b>Total cash received</b>		<b>3,465,000</b>	<b>1,060,000</b>
<b>Cash used</b>			
Return of equity		1,200,000	160,000
Principal payments of lease liabilities		2,337	2,142
<b>Total cash used</b>		<b>1,202,337</b>	<b>162,142</b>
<b>Net cash from financing activities</b>		<b>2,262,663</b>	<b>897,858</b>
<b>Net increase in cash held</b>		<b>530,892</b>	<b>527,539</b>
Cash and cash equivalents at the beginning of the reporting period		1,081,370	553,831
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>3.1A</b>	<b>1,612,262</b>	<b>1,081,370</b>

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

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## 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, invest, 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 and 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 Australian Renewable Energy Agency ('ARENA'), Northern Australia Infrastructure Facility ('NAIF'), Export Finance Australia ('EFA'), National Housing Finance and Investment Corporation (Housing Australia), Regional Investment Corporation ('RIC'), National Reconstruction Fund Corporation ('NRFC'), Net Zero Economy Agency, other Commonwealth agencies 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 2025, 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
  - \$300m for an 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

### 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 year ended 30 June 2025, an additional \$3.58 billion was appropriated to the CEFC Special Account: \$2.00 billion for the General Portfolio, \$0.93 billion for the HEUF and \$0.65 billion for the RTNF (although an updated Investment Mandate reflecting this latter 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 2025, 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
<p>AASB 2022-10: Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities</p> <p>This Standard amends AASB 13 Fair Value Measurement (August 2015), including adding authoritative implementation guidance and providing related illustrative examples, for application by not-for-profit public sector entities.</p> <p>The application of this Standard requires the Group to consider whether the asset's highest and best use differs from its current use when it is classified as held for sale or highly probable to be used for an alternative purpose. The asset's use is 'financially feasible' if market participants would invest in its service capacity. If market data is not observable, the Group uses its own assumptions, adjusted for available information. The Standard also guides on applying the cost approach to measure fair value, including identifying economic obsolescence. The Group has disclosed non-financial assets, included in Note 3.2A to these financial statements.</p>	1 July 2024
<p>AASB 2023-3: Disclosure of Non-current Liabilities with Covenants: Tier 2</p> <p>This Standard amends AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For Profit and Not-for-Profit Tier 2 Entities (March 2020).</p> <p>The application of this Standard requires the Group to clarify that a liability is classified as non-current if an entity has the right at the reporting date to defer settlement for at least twelve months. The Standard also clarifies the reference to settling a liability by issuing equity instruments and requires disclosure of information to help users understand the risk that non-current liabilities with covenants could become repayable within twelve months. The Group has disclosed current/non-current assets and liabilities in Note 8.1 to these financial statements.</p>	1 July 2024
<p>AASB 2024-1: Supplier Finance Arrangements: Tier 2 Disclosures</p> <p>This Standard amends AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For Profit and Not-for-Profit Tier 2 Entities (March 2020) to require a Tier 2 entity to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities, cash flows and exposure to liquidity risk.</p> <p>The application of this Standard requires the Group to disclose the terms and conditions of supplier finance arrangements, the carrying amount of the liabilities that are part of the arrangements, the carrying amounts of those liabilities for which the suppliers have already received payment from the finance providers, the range of payment due dates and the effect of non-cash changes.</p>	1 July 2024

## Notes to Consolidated Financial Statements

### 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 S2: Climate-related Disclosures	1 July 2025 earlier application is permitted
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 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.

### 1.5 Events after the reporting period

#### **A. Execution of commitment to provide concessional debt towards the funding of Marinus Link**

On 26 August 2025, the Group, through its RTNF, entered a contractual commitment to provide concessional debt funding towards the construction of Marinus Link, a second interconnector between Tasmania and Victoria. This commitment is highly concessional in nature, as it is structured to include a below market interest rate in order to lower the cost of transmission to electricity consumers. The concessional loan commitment, entered into after the balance sheet date, has no impact on the 2024-25 audited financial statements, however, it is expected to result in a concessional loan charge of approximately \$2.8 billion that will be recorded in the 2025-26 financial year. Since this concession charge will, in line with accounting principles, be recorded in advance of the funding being advanced to Marinus Link, it will result in a concession liability and expense being recorded in the Group's 2025-26 financial statements, and this will materially reduce both the retained surplus (which will become an accumulated loss) and the net asset position of the Group.

#### **B. Sydney Facilities Lease – executed 19 August 2025**

Subsequent to balance date the CEFC entered into an eight year operating lease agreement for a new Sydney office. The lease commences on 1 March 2026 and will result in CEFC capitalising a right of use asset and recognising a lease liability of approximately \$24 million during the 2026 financial year. Due to the requirement for the landlord to fit out the new facility for CEFC, it is expected that the CEFC will continue to occupy its existing facility in Sydney through the end of its lease term in February 2026.

There have been no other 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

	2025 \$'000	2024 \$'000
Wages and salaries	47,996	41,319
Superannuation – Defined contribution plans	3,633	2,937
Leave and other entitlements	1,105	484
Separation and redundancies	9	273
<b>Total employee benefits</b>	<b>52,743</b>	<b>45,013</b>

#### 2.1B: Suppliers

	2025 \$'000	2024 \$'000
<b>Goods and services supplied or rendered</b>		
Annual report	136	161
Consultants and contractors	4,203	2,422
Custody, facility, filing and investment management fees	6,805	4,497
Data feeds and other subscriptions	1,351	1,163
Facility services and outgoings	690	476
Financial statement audit services	220	188
Information technology services	2,590	2,138
Insurance	256	408
Internal audit services	247	323
Legal fees	735	397
Marketing and communications	715	594
Recruitment services	445	866
Staff training and development	514	536
Telecommunications	209	159
Travel and incidentals	1,686	1,605
Other	503	957
<b>Total goods and services supplied or rendered</b>	<b>21,305</b>	<b>16,890</b>
Goods supplied	511	444
Services rendered	20,794	16,446
<b>Total goods and services supplied or rendered</b>	<b>21,305</b>	<b>16,890</b>
<b>Other suppliers</b>		
Workers compensation expenses	66	59
<b>Total other suppliers</b>	<b>66</b>	<b>59</b>
<b>Total suppliers</b>	<b>21,371</b>	<b>16,949</b>

Certain comparative figures in this Note 2.1B have been reclassified to conform to the current year's presentation. These reclassifications had no impact on the Total suppliers expense reported for the year ended 30 June 2024.

## Notes to Consolidated Financial Statements

### Note 2: Financial performance

#### Leasing commitments

The Group has entered into operating leases for office premises which expire between February 2026 and September 2029. Payments in connection with these rental agreements are disclosed as follows:

	2025 \$'000	2024 \$'000
Rental paid is recognised as:		
Finance cost	164	198
Reduction in lease liability	2,337	2,142
<b>Total premises lease payments</b>	<b>2,501</b>	<b>2,340</b>
The amount expensed for premises rental is recognised as:		
Finance cost	164	198
Depreciation of right of use asset	2,315	2,298
<b>Total premises lease expense</b>	<b>2,479</b>	<b>2,496</b>

#### 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:

	2025 \$'000	2024 \$'000
Australian National Audit Office	237	226

#### 2.1C: Concessional loan (reversal)/charge

	2025 \$'000	2024 \$'000
Concessional loan charges on commitments during the year	141,038	458,026
Reversal of concessional loan charges on prior period commitments, due to reduction, expiration or early termination of concessional loan arrangements	(166,622)	(1,448)
<b>Total concessional loan (reversal)/charge</b>	<b>(25,584)</b>	<b>456,578</b>

#### 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

For each investment other than those made through the RTNF, the Group will seek to maximise its return and provide only the level of discount from market rates/terms that is required to ensure the project proceeds. However, 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.

For investments made through the RTNF, the Board is required to consider opportunities to enhance benefits to electricity consumers 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 ensure the benefit of lower costs can be passed through to electricity consumers.

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' 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 pattern under which loans will be drawn down, as well as the rate 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

	2025 \$'000	2024 \$'000
Impairment charge on loans carried at amortised cost	64,684	5,332
Impairment charge on other debt securities carried at amortised cost	42	276
<b>Impairment charge on loans and debt securities carried at amortised cost</b>	<b>64,726</b>	<b>5,608</b>
Impairment reversal on interests in associates and joint ventures	(508)	(7,434)
<b>Total impairment charge/(reversal) on financial assets</b>	<b>64,218</b>	<b>(1,826)</b>

### 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.

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.

## Notes to Consolidated Financial Statements

### Note 2: Financial performance

#### 2.1E: Fair value losses on financial instruments

	2025 \$'000	2024 \$'000
Fair value losses on other debt securities carried at FVTPL	522	34
Fair value losses on equities and units in trusts carried at FVTPL	44,061	119,206
Fair value losses on derivatives for investment carried at FVTPL	–	1,556
Reversal of prior years' unrealised gains now realised on disposal (refer Note 2.2D)	6,124	–
<b>Total fair value losses on financial instruments</b>	<b>50,707</b>	<b>120,796</b>

#### 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

	2025 \$'000	2024 \$'000
Interest on lease liabilities	164	198
Unwinding of discount	47	56
<b>Total finance costs</b>	<b>211</b>	<b>254</b>

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

#### 2.1G: Loss on modification of financial instruments

	2025 \$'000	2024 \$'000
Loans measured at amortised cost	3,628	2,611
Reversal of prior period modification loss of financial instruments	–	(623)
<b>Total loss on modification of financial instruments at amortised cost that were not derecognised</b>	<b>3,628</b>	<b>1,988</b>

#### 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

	2025 \$'000	2024 \$'000
Interest and fees from loans and advances	203,380	150,702
Interest from other debt securities	46,373	40,727
Interest from cash and short-term investments	87,168	29,448
Unwind of concessional interest rate discount	19,750	6,221
Unwind of loan modification loss	3,783	2,949
<b>Total interest and loan fee revenue</b>	<b>360,454</b>	<b>230,047</b>

#### 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.

### 2.2B: Distributions from trusts and equity investments

	2025 \$'000	2024 \$'000
Distributions from trusts and equity instruments	48,287	46,797
<b>Total distributions from trusts and equity investments</b>	<b>48,287</b>	<b>46,797</b>

#### 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

	2025 \$'000	2024 \$'000
Fair value gains on other debt securities carried at FVTPL	21,867	11,301
Fair value gains on equities and units in trusts carried at FVTPL	79,425	112,663
Fair value gains on derivatives for investment carried at FVTPL	597	–
Reversal of prior years' unrealised losses now realised on disposal (refer Note 2.2D)	2,591	5,269
<b>Total fair value gains on financial instruments</b>	<b>104,480</b>	<b>129,233</b>

## Notes to Consolidated Financial Statements

### Note 2: Financial performance

#### 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/(Loss) from disposal of assets

	2025 \$'000	2024 \$'000
Realised gains on disposal of financial investments carried at FVTPL		
Investments in trusts and equity instruments	5,527	–
Investments in debt securities	3,185	–
Realised losses on disposal of financial investments carried at FVTPL		
Investments in trusts and equity instruments	(344)	(7,004)
Investments in debt securities	(2,418)	–
Realised gains/(losses) on sale of equity accounted investments	7,897	(7,945)
<b>Net profit/(loss) on disposal of investments</b>	<b>13,847</b>	<b>(14,949)</b>

\$2.6 million of the loss on disposal of assets (2024: \$7.0 million) had been recognised in prior years through the Statement of Comprehensive Income as fair value losses. Refer Notes 2.1E and 2.2C.

\$6.1 million of the profit from disposal of assets (2024: \$Nil) had been recognised in prior years through the Statement of Comprehensive Income as fair value gains. Refer Notes 2.1E and 2.2C.

#### 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

	2025 \$'000	2024 \$'000
Contribution from Department of Climate Change, Energy, the Environment and Water towards operating costs of the:		
– Household Energy Upgrades Fund	2,469	2,563
– Powering Australia Technology Fund	4,060	4,716
– Rewiring the Nation Fund	14,271	13,532
<b>Total revenue from Government</b>	<b>20,800</b>	<b>20,811</b>

## 2.4 Gains/(Losses) included in other comprehensive income and reserves

### 2.4A: Reconciliation of unrealised gains in reserves at 30 June 2025

	Share of associates and joint ventures		
	Asset revaluation reserve \$'000	Gains/(losses) on financial assets at FVOCI \$'000	Total \$'000
Unrealised gains included in reserves, 1 July 2024	11,800	12,020	23,820
Unrealised gains/(losses) recorded in other comprehensive income during 2025	9,286	(5,740)	3,546
<b>Unrealised gains included in reserves, 30 June 2025</b>	<b>21,086</b>	<b>6,280</b>	<b>27,366</b>

## Notes to Consolidated Financial Statements

### 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 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.

## Notes to Consolidated Financial Statements

### Note 3: Financial position

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 2025	Weighting 2024
Base case	55%	55%
Upside	10%	10%
Downside	30%	30%
Electricity price collapse	5%	5%
<b>Total statistically calculated provision</b>	<b>100%</b>	<b>100%</b>

The provision at 30 June 2025, under these scenarios would have been between \$80.3 million and \$359.6 million and has been calculated on a weighted average basis as \$144.5 million as follows:

Scenario	Key Assumptions at 30 June 2025	Statistical Provision \$m	Weighted Value \$m
<b>Base case</b>	<ul style="list-style-type: none"> <li>• <b>Electricity prices:</b> Most recent quarterly forecast of bundled wholesale prices sourced from an independent consultancy in both 2025 and 2024</li> <li>• <b>Foreign exchange rate:</b> June quarterly forecasts sourced from a financial information service at 30 June 2025 and 2024.</li> <li>• <b>Interest rates:</b> Average June quarterly forecasts sourced from a financial information service at 30 June 2025 and 2024.</li> <li>• <b>GDP:</b> Real GDP forecast sourced from a financial information service at 30 June 2025 and 2024 and reflecting annual rates of increase between 2% and 2.5% (2024: between 1.75% and 2.4%).</li> <li>• <b>Property prices:</b> In line with market expectations.</li> </ul>	113.1	62.2
<b>Upside</b>	Electricity prices are assumed to be 20% higher than the Base case from 1 July 2025 onwards. Property prices increase by 2% more than the Base case. GDP and interest rates are the same as the Base case.	80.3	8.0
<b>Downside</b>	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. GDP reflects an annual rate of increase of 1% (2024: 0.88%) in year 1, a recession in year 2 and annual rates of increase of 1.25% (2024: 1.2%) in each future year.	187.7	56.3
<b>Electricity price collapse</b>	As for Downside scenario, however, bundled electricity prices drop to \$40/MWh and remain at that level.	359.6	18.0
<b>Total provision calculated with reference to above scenarios (AASB 9 stages 1 and 2)</b>			<b>144.5</b>
Specific provision for financial instruments considered to be credit impaired (AASB 9 stage 3)			55.1
			<b>199.6</b>

The total impairment provision of \$199.6 million is disclosed as \$197.5 million against loans and advances (refer Note 3.1C) and \$2.1 million against other debt securities (refer Note 3.1D):

In addition to the statistically modelled output, two Management adjustment overlays have been applied. These are a model overlay and a sector-specific risk overlay. The purpose of these overlays is to compensate for the unique risks of the Group's portfolio as well as specific model and data limitations. 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 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

	2025 \$'000	2024 \$'000
Cash on hand or on deposit	1,612,262	1,081,370
<b>Total cash and cash equivalents</b>	<b>1,612,262</b>	<b>1,081,370</b>

#### 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

	2025 \$'000	2024 \$'000
<b>Goods and services receivables</b>		
<b>Other receivables</b>		
Interest and fees	31,398	25,268
Dividends and distributions	6,900	6,244
<b>Accrued revenue</b>	<b>38,298</b>	<b>31,512</b>
Unbilled receivables	611	303
Other receivables	–	108
<b>Total accrued revenue and other receivables</b>	<b>38,909</b>	<b>31,923</b>
<b>Total trade and other receivables (gross)</b>	<b>38,909</b>	<b>31,923</b>
<b>Less: impairment allowance</b>	<b>–</b>	<b>–</b>
<b>Total trade and other receivables (net)</b>	<b>38,909</b>	<b>31,923</b>

Credit terms for goods and services were within 30 days (2024: 30 days).

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



## Notes to Consolidated Financial Statements

### Note 3: Financial position

#### 3.1C: Loans and advances

	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)
<b>Funded loans, net of concessionality and modification discount</b>	<b>4,186,211</b>	<b>95,649</b>	<b>4,281,860</b>
Less impairment allowance	(197,502)	–	(197,502)
<b>Funded loans, net of concessionality, modification and impairment allowance</b>	<b>3,988,709</b>	<b>95,649</b>	<b>4,084,358</b>
Less assets held for sale	(72,867)	–	(72,867)
<b>Net loans and advances</b>	<b>3,915,842</b>	<b>95,649</b>	<b>4,011,491</b>

	2024 Amortised cost \$'000	2024 FVTPL \$'000	2024 Total \$'000
Gross funded loans and advances	2,837,553	26,150	2,863,703
Concessional loan discount on drawn loans	(15,977)	(1,589)	(17,566)
Unamortised loan modification charge	(4,713)	(911)	(5,624)
<b>Funded loans, net of concessionality and modification discount</b>	<b>2,816,863</b>	<b>23,650</b>	<b>2,840,513</b>
Less impairment allowance	(132,346)	–	(132,346)
<b>Net loans and advances</b>	<b>2,684,517</b>	<b>23,650</b>	<b>2,708,167</b>

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

	2025 \$'000	2024 \$'000
Overdue or impaired	55,070	1,835
Due in 1 year	591,398	656,720
Due in 1 year to 5 years	1,666,326	1,530,349
Due after 5 years	1,969,066	651,609
<b>Funded loans, net of concessionality and modification discount</b>	<b>4,281,860</b>	<b>2,840,513</b>

#### Concentration of risk

The largest single exposure in the loan portfolio at 30 June 2025 was for an amount of \$545.2 million (2024: \$295.0 million). The following table shows the diversification of investments in the loan portfolio at 30 June:

	2025			2024		
	No. of loans	Loan value \$'000	%	No. of loans	Loan value \$'000	%
< \$50m	40	737,466	17%	40	664,067	23%
\$50m – \$100m	21	1,618,512	38%	22	1,626,359	57%
\$100m – \$250m	6	816,170	19%	2	255,087	10%
\$250m – \$500m	2	564,480	13%	1	295,000	10%
> \$500m	1	545,232	13%	–	–	0%
<b>Funded loans, net of concessionality and modification discount</b>	<b>70</b>	<b>4,281,860</b>	<b>100%</b>	<b>65</b>	<b>2,840,513</b>	<b>100%</b>

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).

Corporation's Shadow Credit Rating	2025		2024	
	Loan value \$'000	%	Loan value \$'000	%
AAA	4,003	0%	5,197	0%
AA+ to AA-	168,600	4%	48,391	2%
A+ to A-	420,412	10%	367,469	13%
BBB+ to BBB-	1,170,815	27%	542,413	19%
BB+ to BB-	2,140,409	50%	1,668,584	59%
B+ to B-	377,621	9%	208,459	7%
<b>Total loans and advances, net of concessionality and modification discount</b>	<b>4,281,860</b>	<b>100%</b>	<b>2,840,513</b>	<b>100%</b>

Risk factors are discussed further in Note 6.2.

#### Impairment allowance

##### *Reconciliation of the impairment allowance*

Movements in relation to loans and advances:

	2025 Stage 1 (12-month ECL)	2025 Stage 2 (lifetime ECL)	2025 Stage 3	2025 Total \$'000
<b>As at 1 July 2024</b>	<b>74,564</b>	<b>55,947</b>	<b>1,835</b>	<b>132,346</b>
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
<b>Closing balance at 30 June 2025</b>	<b>77,391</b>	<b>65,041</b>	<b>55,070</b>	<b>197,502</b>

	2024 Stage 1 (12-month ECL)	2024 Stage 2 (lifetime ECL)	2024 Stage 3	2024 Total \$'000
<b>As at 1 July 2023</b>	<b>63,835</b>	<b>24,289</b>	<b>45,802</b>	<b>133,926</b>
Increase/(decrease) recognised in impairment loss allowance on financial instruments	15,906	15,145	(25,719)	5,332
Change from stage 1 to stage 2	(5,177)	5,177	–	–
Change from stage 2 to stage 1	–	–	–	–
Change from stage 3 to stage 2	–	11,336	(11,336)	–
Utilised for impaired loans	–	–	(6,912)	(6,912)
<b>Closing balance at 30 June 2024</b>	<b>74,564</b>	<b>55,947</b>	<b>1,835</b>	<b>132,346</b>

## Notes to Consolidated Financial Statements

### Note 3: Financial position

The Group did not have any amounts past due but not impaired at 30 June 2025 or 30 June 2024.

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

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

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

Changes from stage 3 to 2 relate to loans no longer considered to be credit impaired but still having a SICR since inception.

#### 3.1D: Other debt securities

	2025 Amortised cost \$'000	2025 FVTPL \$'000	2025 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)
<b>Debt securities before impairment allowance</b>	<b>451,010</b>	<b>848,573</b>	<b>1,299,583</b>
Less impairment allowance	(2,081)	–	(2,081)
<b>Net other debt securities</b>	<b>448,929</b>	<b>848,573</b>	<b>1,297,502</b>

	2024 Amortised cost \$'000	2024 FVTPL \$'000	2024 Total \$'000
Gross funded debt securities	444,776	611,424	1,056,200
Concessional loan discount	(1,633)	(1,549)	(3,182)
Cumulative amortisation of bond discount/(premium)	1,126	2,777	3,903
Cumulative fair value adjustments	–	(22,783)	(22,783)
<b>Debt securities before impairment allowance</b>	<b>444,269</b>	<b>589,869</b>	<b>1,034,138</b>
Less impairment allowance	(2,039)	–	(2,039)
<b>Net other debt securities</b>	<b>442,230</b>	<b>589,869</b>	<b>1,032,099</b>

Maturity analysis of debt securities:

	2025 \$'000	2024 \$'000
Overdue or impaired	–	–
Due in 1 year	143,737	129,611
Due in 1 year to 5 years	692,266	725,928
Due after 5 years	463,580	178,599
<b>Other debt securities before impairment allowance</b>	<b>1,299,583</b>	<b>1,034,138</b>

### Concentration of risk – Other debt securities

Other debt securities are primarily investments in bank and corporate bonds. During the financial year, the Group recorded an increase in the impairment charge of \$0.04 million (2024: impairment charge of \$0.25 million) in respect of its holding of other debt securities.

The largest single exposure in the other debt securities at 30 June 2025 was for an amount of \$151.1 million (2024: \$149.0 million).

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

	2025			2024		
	No. of securities	Investment value \$'000	%	No. of securities	Investment value \$'000	%
<\$10m	12	84,536	7%	11	79,463	8%
\$10m – \$50m	25	687,877	53%	24	633,038	61%
\$50m – \$100m	4	227,404	17%	3	172,664	17%
> \$100m	2	299,766	23%	1	148,973	14%
<b>Total other debt securities</b>	<b>43</b>	<b>1,299,583</b>	<b>100%</b>	<b>39</b>	<b>1,034,138</b>	<b>100%</b>

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

Corporation's Shadow Credit Rating	2025		2024	
	Value \$'000	%	Value \$'000	%
AAA	28,276	2%	52,403	5%
AA+ to AA-	477,446	37%	275,191	27%
A+ to A-	306,648	24%	210,349	20%
BBB+ to BBB-	452,777	35%	456,876	44%
BB+ to BB-	34,436	3%	39,319	4%
<b>Total loans and advances, net of concessionality and modification discount</b>	<b>1,299,583</b>	<b>100%</b>	<b>1,034,138</b>	<b>100%</b>

Risk factors are discussed further in Note 6.2.

### Impairment allowance – Other debt securities

	2025 \$'000	2024 \$'000
As at 1 July	2,039	1,763
Increase recognised in impairment loss allowance on financial instruments	42	276
<b>Closing balance at 30 June</b>	<b>2,081</b>	<b>2,039</b>

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

## Notes to Consolidated Financial Statements

### Note 3: Financial position

#### 3.1E: Equities and units in trusts

	2025 \$'000	2024 \$'000
Gross funded equities and units in trusts	1,609,893	1,550,106
Cumulative fair value adjustments	259,083	228,161
<b>Total equities and units in trusts</b>	<b>1,868,976</b>	<b>1,778,267</b>
Less assets held for sale	(62,527)	–
<b>Equities and units in trusts</b>	<b>1,806,449</b>	<b>1,778,267</b>

All equities and units in trusts are held at FVTPL in 2025 and 2024.

#### 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 2025 was for an amount of \$187.6 million (2024: \$174.2 million).

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

	2025			2024		
	No. of securities	Investment value \$'000	%	No. of securities	Investment value \$'000	%
<\$10m	44	126,337	7%	41	112,371	6%
\$10m – \$50m	18	396,805	21%	12	268,458	15%
\$50m – \$100m	11	775,884	42%	12	831,162	47%
> \$100m	4	569,950	30%	4	566,276	32%
<b>Total equities and units in trusts</b>	<b>77</b>	<b>1,868,976</b>	<b>100%</b>	<b>69</b>	<b>1,778,267</b>	<b>100%</b>

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

#### 3.1F: Equity accounted investments

	2025 \$'000	2024 \$'000
Balance at 1 July	637,456	475,098
Investments made during the year	105,021	189,294
Distributions received during the year	(30,081)	(23,839)
Share of income/(loss) of associates and joint ventures		
– through profit and loss	31,735	15,657
– through other comprehensive income (Note 2.4A)	3,547	6,289
Disposals made during the year	(7,880)	(12,583)
Impairment reversal	508	7,434
Realised gains/(losses)	7,897	(7,945)
Reclassifications to FVTPL	(4,161)	(11,949)
<b>Balance of equity accounted investments at 30 June</b>	<b>744,042</b>	<b>637,456</b>
Loans to associates and joint ventures	30,963	27,774
<b>Total interest in associates and joint ventures</b>	<b>775,005</b>	<b>665,230</b>

	2025		2024	
	Carrying value \$'000	Ownership %	Carrying value \$'000	Ownership %
<b>Equity accounted investments</b>				
Octopus Australia Sustainable Investments	142,918	21.3%	114,171	23.4%
Morrison Growth Infrastructure Fund	136,706	25.9%	119,160	25.9%
My Specialised Accommodation Solutions Holdings	98,593	24.2%	86,891	24.9%
IFM Growth Partners LP	74,650	36.8%	36,350	36.8%
Ellerston 2050 Fund	68,042	49.8%	57,646	49.8%
Transforming Farming Trust	53,757	50.0%	34,913	50.0%
Wilga Farming Australia	51,830	25.0%	42,995	25.0%
Other General Portfolio investments	86,504	20.0%–46.2%	100,719	33.0%–46.2%
Clean Energy Innovation Fund investments	24,283	21.1%–36.9%	34,913	21.1%–37.6%
Powering Australia Technology Fund investments	6,759	25.4%–33.0%	9,698	25.5%
<b>Total investments accounted for using the equity method</b>	<b>744,042</b>		<b>637,456</b>	

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

	2025 \$'000	2024 \$'000
<b>Statement of financial position</b>		
Current assets	147,238	116,378
Non-current assets	900,690	774,413
Current liabilities	154,335	139,597
Non-current liabilities	140,191	99,124
<b>Statement of comprehensive income</b>		
Revenue	51,137	67,697
Net surplus	31,735	15,657
Other comprehensive income	3,547	6,289
<b>Total comprehensive income</b>	<b>35,282</b>	<b>21,946</b>

Loans to associates and joint ventures at 30 June 2025 total \$31.0 million (2024: \$27.8 million). The Group has procured a bank guarantee for \$1.8m on behalf of an associate (2024: \$1.8m).

At 30 June 2025 the Group had committed to invest up to a further \$178 million (2024: \$140 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.

## Notes to Consolidated Financial Statements

### Note 3: Financial position

#### 3.1G: Derivative financial assets

	2025 \$'000	2024 \$'000
Derivative financial assets held for investment purposes (FVTPL)	13,956	13,358
<b>Derivative financial assets</b>	<b>13,956</b>	<b>13,358</b>

#### 3.1H: Assets held for sale

	2025 \$'000	2024 \$'000
Loans and advances for which the Group has issued instruction to sell	72,867	–
Equities and units in trusts for which the Group has issued instruction to sell	62,527	–
<b>Assets held for sale</b>	<b>135,394</b>	<b>–</b>

Sale 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 2025.

### 3.2 Non-financial assets

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

Reconciliation of the opening and closing balances of property, plant and equipment and computer software for 2025

	Land and buildings \$'000	Plant and equipment \$'000	Computer software \$'000	Total \$'000
<b>As at 1 July 2024</b>				
Gross book value	13,144	7,560	478	21,182
Accumulated depreciation and amortisation	(5,973)	(3,324)	(478)	(9,775)
<b>Total as at 1 July 2024</b>	<b>7,171</b>	<b>4,236</b>	<b>–</b>	<b>11,407</b>
Additions:				
By purchase or internally developed	50	715	–	765
Depreciation and amortisation expense	(2,315)	(1,633)	–	(3,948)
Disposals:				
Gross book value	–	(316)	(478)	(794)
Accumulated depreciation and amortisation	–	316	478	794
<b>Total as at 30 June 2025</b>	<b>4,906</b>	<b>3,318</b>	<b>–</b>	<b>8,224</b>
<b>Total as at 30 June 2025 represented by:</b>				
Gross book value	13,194	7,959	–	21,153
Accumulated depreciation and amortisation	(8,288)	(4,641)	–	(12,929)
<b>Total as at 30 June 2025</b>	<b>4,906</b>	<b>3,318</b>	<b>–</b>	<b>8,224</b>

Land and buildings comprise ROU assets recognised for office leases.

As mentioned in Note 1.5 the Group has signed a lease for new premises in Sydney. A ROU asset with a book value of \$0.8 million at 30 June 2025 and office fit out and related equipment with a book value of \$0.5 million at 30 June 2025 relating to the current premises will be disposed of within the next 12 months. The assets in question are expected to be fully depreciated by the end of the current lease. No other property, plant or equipment or computer software are expected to be disposed of within the next 12 months.

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



### 3.3 Payables and deferred revenue

#### 3.3A: Deferred revenue

	2025 \$'000	2024 \$'000
Deferred establishment fees income	49,595	32,955
Loan commitment and line fees received in advance	42	–
<b>Total deferred revenue</b>	<b>49,637</b>	<b>32,955</b>

#### 3.3B: Other payables

	2025 \$'000	2024 \$'000
Wages and salaries	15,638	13,755
Superannuation	16	187
FBT liability	11	9
Other	32	41
<b>Total other payables</b>	<b>15,697</b>	<b>13,992</b>

### 3.4 Interest bearing liabilities

	2025 \$'000	2024 \$'000
Lease liability falling due within 1 year	2,057	2,331
Lease liability falling due between 1 and 5 years	3,632	5,411
Lease liability falling due after 5 years	–	234
<b>Total interest bearing liabilities</b>	<b>5,689</b>	<b>7,976</b>

The lease liability relates to office premises leases which expire between February 2026 and September 2029. 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 2025 are \$5.9 million (2024: \$8.4 million).

### 3.5 Concession on undrawn loan commitments

	\$'000
<b>As at 1 July 2024</b>	<b>462,308</b>
Additional provisions made	141,038
Amount reversed upon cancellation or reduction of loan commitments	(114,670)
Offset to Loans and advances and Other debt securities	(346,353)
<b>Total at 30 June 2025</b>	<b>142,323</b>

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

### 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.

	2025 \$'000	2024 \$'000
Appropriations credited to the CEFC Special Account in prior financial years	29,570,000	21,500,000
Appropriations credited to the CEFC Special Account during the year:		
– for General Portfolio	2,000,000	–
– for Household Energy Upgrades Fund	930,000	70,000
– for Rewiring the Nation Fund	650,000	8,000,000
<b>Total appropriated to 30 June</b>	<b>33,150,000</b>	<b>29,570,000</b>

##### Contributed Equity

	2025 \$'000	2024 \$'000
<b>Equity from CEFC Special Account</b>		
Opening balance of equity drawn from CEFC Special Account – 1 July	5,826,000	4,926,000
Funds drawn as an equity contribution from the CEFC Special Account	3,465,000	1,060,000
Funds returned to the CEFC Special Account	(1,200,000)	(160,000)
Net amount drawn from the CEFC Special Account in the year	2,265,000	900,000
<b>Closing balance of equity drawn from CEFC Special Account – 30 June</b>	<b>8,091,000</b>	<b>5,826,000</b>
<b>Equity from restructuring of administrative arrangements</b>		
Net assets received from restructuring of administrative arrangements in prior periods	87,363	87,363
<b>Closing contributed equity balance – 30 June</b>	<b>8,178,363</b>	<b>5,913,363</b>

##### 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

	2025 \$'000	2024 \$'000
<b>Annual and long service leave</b>		
Expected to be settled within 12 months	5,678	4,690
Expected to be settled in more than 12 months	1,175	1,058
<b>Total employee provisions</b>	<b>6,853</b>	<b>5,748</b>

### 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 six members with one appointment and one resignation during the year), and the Executive team comprising the Chief Executive Officer, Chief Financial Officer, General Counsel, the three Chief Investment Officers, the Chief Risk Officer, the Chief Asset Management Officer, the Chief Public Affairs Officer, and the Chief People and Culture Officer.

	2025 \$	2024 \$
<b>Short-term employee benefits</b>		
Non-executive Board member fees	504,837	454,657
Executive base salaries	4,633,670	4,171,309
Performance based compensation	1,784,778	1,608,000
Annual leave (paid)/accrued, net	24,196	13,403
<b>Total short-term employee benefits</b>	<b>6,947,481</b>	<b>6,247,369</b>
<b>Post-employment benefits</b>		
Superannuation contributions on behalf of Board members and executives	346,874	292,954
<b>Total post-employment benefits</b>	<b>346,874</b>	<b>292,954</b>
<b>Other long-term employee benefits</b>		
Performance based compensation	892,388	804,000
Long service leave (paid)/accrued, net	136,963	57,577
<b>Total other long-term employee benefits</b>	<b>1,029,351</b>	<b>861,577</b>
<b>Termination benefits</b>		
Separation and redundancy payments	–	–
<b>Total termination benefits</b>	<b>–</b>	<b>–</b>
<b>Total key management personnel remuneration expenses</b>	<b>8,323,706</b>	<b>7,401,900</b>

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

	2025 No.	2024 No.
<b>Summary of key management personnel</b>		
Non-executive Directors	7	7
Executives	10	9
<b>Total key management personnel</b>	<b>17</b>	<b>16</b>

## Notes to Consolidated Financial Statements

### 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, Chair  
Dr Guy Debelle (appointed 8 December 2024)  
Mr Matt Howell (resigned 30 June 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 (from 1 September 2024)  
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

– **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. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2025, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2024: \$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**

Ms Nicola Wakefield Evans AM was an independent non-executive director of Lendlease Corporation Limited and Lendlease Responsible Entity Limited, retiring effective 15 November 2024. The CEFC has an equity investment with a carrying value of \$72 million at 30 June 2025 (2024: \$74 million) in Lendlease Real Estate Investments Limited managed Australian Prime Property Fund Commercial Active and Australian Prime Property Fund Commercial Passive (stapled entity).

The spouse of Mr David Jones AM is an independent non-executive director of both Ampol Limited and Stockland Group. CEFC has an existing loan to Stockland in an amount of \$75 million (2024: \$75 million) and committed up to \$100 million to Ampol during 2024, with an existing loan balance at 30 June 2025 of \$15 million (2024: \$Nil).

The directors named above took no part in the relevant decisions of the CEFC Board in regards 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 2025 (2024: 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 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.

The Board of the CEFC and the directors named above ensure that they take no part in discussions in relation to CEFC investments where it is determined they would have a conflict in the context of the described interests.

**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 (2024: \$3.3 million) including \$0.9 million in advance (2024: \$0.8 million) for the quarter ending 30 September 2025. During the year to 30 June 2025, Virescent paid \$43,000 (2024: \$40,000) 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 \$70m) of equity to cornerstone a new climate technology venture capital fund, the Virescent Ventures Fund II. Management fees paid during the year ended 30 June 2025 were \$0.3m and an additional accrual of \$0.4m has been recognised for amounts owing at 30 June 2025 (2024: \$Nil).

## Notes to Consolidated Financial Statements

### 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 2025 or 2024 that are not disclosed elsewhere in these accounts.

##### Unquantifiable contingencies

At 30 June 2025 and 2024 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	2025 Total \$'000
<b>Financial assets 30 June 2025</b>				
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
<b>Total financial investments</b>	<b>4,364,771</b>	<b>2,764,627</b>	<b>–</b>	<b>7,129,398</b>
<b>Carrying amount of financial assets</b>	<b>6,015,942</b>	<b>2,764,627</b>	<b>–</b>	<b>8,780,569</b>

	Amortised cost \$'000	FVTPL \$'000	FVOCI \$'000	2024 Total \$'000
<b>Financial assets 30 June 2024</b>				
Cash and cash equivalents	1,081,370	–	–	1,081,370
Trade and other receivables	31,923	–	–	31,923
Financial investments				
Loans and advances	2,684,517	23,650	–	2,708,167
Other debt securities	442,230	589,869	–	1,032,099
Equities and units in trusts	–	1,778,267	–	1,778,267
Derivative financial assets	–	13,358	–	13,358
<b>Total financial investments</b>	<b>3,126,747</b>	<b>2,405,144</b>	<b>–</b>	<b>5,531,891</b>
<b>Carrying amount of financial assets</b>	<b>4,240,040</b>	<b>2,405,144</b>	<b>–</b>	<b>6,645,184</b>

Financial liabilities:

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

	Amortised cost \$'000	FVTPL \$'000	FVOCI \$'000	2024 Total \$'000
<b>Financial liabilities 30 June 2024</b>				
Trade creditors and accruals	4,875	–	–	4,875
Provision for concessional investments	–	462,308	–	462,308
<b>Carrying amount of financial liabilities</b>	<b>4,875</b>	<b>462,308</b>	<b>–</b>	<b>467,183</b>

## 6.2B: Net gains or losses on financial assets

	2025 Amortised cost \$'000	2025 FVTPL \$'000	2025 Total \$'000	2024 Total \$'000
<b>Cash and cash equivalents</b>				
Interest from cash and short-term investments	87,168	–	87,168	29,448
<b>Net gains on cash and cash equivalents</b>	<b>87,168</b>	<b>–</b>	<b>87,168</b>	<b>29,448</b>
<b>Loans and advances</b>				
Interest income and fees	196,860	6,520	203,380	150,702
Unwind of concessional interest rate discount	20,753	1,408	22,161	7,905
Reversal of prior period concessional loan charges	164,610	1,315	165,925	1,448
<b>Net gains on loans and advances</b>	<b>382,223</b>	<b>9,243</b>	<b>391,466</b>	<b>160,055</b>
<b>Other debt securities</b>				
Interest income from debt securities	18,178	28,195	46,373	40,727
Unwind of concessional interest rate discount	610	762	1,372	1,265
Loss on disposal	–	(2,418)	(2,418)	–
Profit on disposal	–	3,185	3,185	–
Fair value gains	–	21,867	21,867	11,301
Fair value losses	–	(522)	(522)	(34)
Reversal of prior period concessional loan charges	–	697	697	–
<b>Net gains on other debt securities</b>	<b>18,788</b>	<b>51,766</b>	<b>70,554</b>	<b>53,259</b>
<b>Equities and units in trusts</b>				
Income distributions from equities and units in trusts	–	48,287	48,287	46,797
Loss on disposal	–	(344)	(344)	(7,004)
Profit on disposal	–	5,527	5,527	–
Fair value gains	–	82,016	82,016	117,932
Fair value losses	–	(50,185)	(50,185)	(119,206)
<b>Net gains on equities and units in trusts</b>	<b>–</b>	<b>85,301</b>	<b>85,301</b>	<b>38,519</b>
<b>Derivative financial assets</b>				
Fair value gains	–	597	597	–
Fair value losses	–	–	–	(1,556)
<b>Net gains on derivative financial assets</b>	<b>–</b>	<b>597</b>	<b>597</b>	<b>(1,556)</b>
<b>Net gains on financial assets</b>	<b>488,179</b>	<b>146,907</b>	<b>635,086</b>	<b>279,725</b>

The total income from financial assets not at fair value through profit or loss was \$488,179,000 (2024: \$203,381,000).



## Notes to Consolidated Financial Statements

### Note 6: Managing uncertainties

#### 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 2025 \$'000	Not past due nor impaired 2024 \$'000	Past due or impaired 2025 \$'000	Past due or impaired 2024 \$'000	Total 2025 \$'000	Total 2024 \$'000
Cash and cash equivalents	3.1A	1,612,262	1,081,370	–	–	1,612,262	1,081,370
Trade and other receivables	3.1B	38,909	31,923	–	–	38,909	31,923
<b>Financial assets at:</b>							
Amortised cost:							
Loans and advances	3.1C	3,860,772	2,682,682	55,070	1,835	3,915,842	2,684,517
Other debt securities	3.1D	448,929	442,230	–	–	448,929	442,230
FVTPL:							
Loans and advances	3.1C	95,649	23,650	–	–	95,649	23,650
Other debt securities	3.1D	848,573	589,869	–	–	848,573	589,869
Equities and units in trusts	3.1E	1,806,449	1,778,267	–	–	1,806,449	1,778,267
<b>Total financial assets</b>		<b>8,711,543</b>	<b>6,629,991</b>	<b>55,070</b>	<b>1,835</b>	<b>8,766,613</b>	<b>6,631,826</b>
Committed loans and advances	6.5	2,425,847	1,998,593	–	–	2,425,847	1,998,593
Committed other debt securities	6.5	555,131	94,946	–	–	555,131	94,946
Committed trust and equity investments	6.6	488,906	463,840	–	–	488,906	463,840
<b>Total financial asset commitments</b>		<b>3,469,884</b>	<b>2,557,379</b>	<b>–</b>	<b>–</b>	<b>3,469,884</b>	<b>2,557,379</b>
<b>Total credit risk exposure</b>		<b>12,181,427</b>	<b>9,187,370</b>	<b>55,070</b>	<b>1,835</b>	<b>12,236,497</b>	<b>9,189,205</b>

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 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
<b>Total</b>	<b>–</b>	<b>9,481</b>	<b>3,943</b>	<b>35,979</b>	<b>101,296</b>	<b>150,699</b>

### Maturities for financial liabilities 2024:

	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	–	4,875	–	–	–	4,875
Provision for concessional loans	–	28,796	35,760	176,123	221,629	462,308
<b>Total</b>	<b>–</b>	<b>33,671</b>	<b>35,760</b>	<b>176,123</b>	<b>221,629</b>	<b>467,183</b>

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.

## Notes to Consolidated Financial Statements

### Note 6: Managing uncertainties

#### 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.

	2025 \$'000	2024 \$'000
<b>Interest bearing financial assets</b>		
<b>Classified as floating rate</b>		
Cash and cash equivalents	1,612,262	1,081,370
Loans and advances	1,497,669	734,209
Other debt securities	229,842	303,279
<b>Total classified as floating rate</b>	<b>3,339,773</b>	<b>2,118,858</b>
<b>Classified as fixed rate</b>		
Loans and advances	2,586,689	1,973,958
Other debt securities	1,067,660	728,820
<b>Total classified as fixed rate</b>	<b>3,654,349</b>	<b>2,702,778</b>
<b>Interest bearing financial liabilities</b>		
<b>Classified as floating rate</b>		
Provision for concessional loans	9,800	18,052
<b>Total classified as floating rate</b>	<b>9,800</b>	<b>18,052</b>
<b>Classified as fixed rate</b>		
Provision for concessional loans	132,523	444,256
<b>Total classified as fixed rate</b>	<b>132,523</b>	<b>444,256</b>

A +/-50bp change in the interest rate on floating rate financial assets would have approximately a \$16.7 million (2024: \$10.6 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 \$37.9 million (2024: \$20.8 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 (2024: 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) and Distribution Network Service Providers (DNSPs) due to its investments through the RTNF.

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.

Notes to Consolidated Financial Statements

Note 6: Managing uncertainties

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 monitoring processes.

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

The physical-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 two-thirds of the Group's current 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's investments in the agricultural space are considered to have the most potential downside risk to be impacted in a transition scenario.

The analysis evaluates a spectrum of transition-related risks, including near-term policy uncertainty, mid-term regulatory developments, and long-term structural shifts in carbon-intensive sectors. These are assessed through scenario-based impacts such as rising input costs, supply chain disruptions, and evolving market dynamics – particularly under delayed or accelerated transition pathways.

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 considers these risks as part of its credit risk assessment and due diligence processes, 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 2025.

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 2025				2025 Carrying value Total \$'000
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	
<b>Financial assets at fair value</b>					
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
<b>Financial assets for which fair value is disclosed</b>					
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
<b>Total for financial assets</b>	<b>1,107,028</b>	<b>3,754,722</b>	<b>2,301,733</b>	<b>7,163,483</b>	<b>7,202,265</b>
<b>Financial liabilities at fair value</b>					
Provision for concessional investments	–	–	142,323	142,323	142,323
<b>Total for financial liabilities</b>	<b>–</b>	<b>–</b>	<b>142,323</b>	<b>142,323</b>	<b>142,323</b>

There was no transfer between levels.

	Fair value at 30 June 2024				2024 Carrying value Total \$'000
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	
<b>Financial assets at fair value</b>					
Loans and advances	–	23,650	–	23,650	23,650
Other debt securities	580,113	9,756	–	589,869	589,869
Equities and units in trusts	–	1,408,029	370,238	1,778,267	1,778,267
Derivative financial assets	–	13,358	–	13,358	13,358
<b>Financial assets for which fair value is disclosed</b>					
Loans and advances	–	1,851,921	805,419	2,657,340	2,684,517
Other debt securities	262,464	173,410	–	435,874	442,230
<b>Total for financial assets</b>	<b>842,577</b>	<b>3,480,124</b>	<b>1,175,657</b>	<b>5,498,358</b>	<b>5,531,891</b>
<b>Financial liabilities at fair value</b>					
Provision for concessional investments	–	–	462,308	462,308	462,308
<b>Total for financial liabilities</b>	<b>–</b>	<b>–</b>	<b>462,308</b>	<b>462,308</b>	<b>462,308</b>

## Notes to Consolidated Financial Statements

### Note 6: Managing uncertainties

#### 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.



### 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

	2025 \$'000	2024 \$'000
<b>Loan portfolio</b>		
Nominal value	2,611,749	948,964
Less principal repayment	(345,645)	(78,178)
Less unexpired discount	(288,973)	(23,190)
Less impairment allowance	(21,493)	(18,979)
<b>Carrying value of concessional loans</b>	<b>1,955,638</b>	<b>828,617</b>

## 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 2025 the Group is irrevocably committed to fund loan facilities totalling \$2.43 billion (2024: \$2.00 billion) and to purchase bonds totalling \$555 million (2024: \$95 million).

At 30 June 2025 the Group has entered into agreements to provide loan advances totalling \$0.40 billion (2024: \$2.08 billion) subject to the occurrence of future uncertain events.

At 30 June 2025 there was NIL (2024: 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 2025 the Group had entered into agreements to make future equity investments totalling \$667 million (2024: \$604 million) comprising \$178 million disclosed in Note 3.1F and \$489 million disclosed in Note 6.2C.

## Notes to Consolidated Financial Statements

### 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	2025 \$'000	2024 \$'000
<b>NET COST OF SERVICES</b>			
EXPENSES			
Employee benefits		52,743	45,013
Suppliers		19,675	16,797
Depreciation and amortisation		3,948	3,753
Finance costs		211	254
Concessional loan charges		141,038	458,026
Impairment loss allowance on financial assets		66,251	(8,015)
Losses from sale of assets		–	14,949
<b>Total expenses</b>		<b>283,866</b>	<b>530,777</b>
OWN-SOURCE INCOME			
<b>Own-source revenue</b>			
Interest and loan fee revenue		360,449	230,041
Interest on loans to subsidiaries	7.4B	72,733	61,483
Distributions from trusts and equity investments		20,717	20,149
<b>Total own-source revenue</b>		<b>453,899</b>	<b>311,673</b>
GAINS AND LOSSES			
Fair value losses on financial instruments		(38,522)	(117,942)
Fair value gains on financial instruments		79,805	97,957
Profit from sale of assets		4,791	–
Reversal of prior period concessional loan charges		166,622	1,448
Loss on modification of financial assets		(3,628)	(1,988)
<b>Total net gains/(losses)</b>		<b>209,068</b>	<b>(20,525)</b>
<b>Total own-source income</b>		<b>662,967</b>	<b>291,148</b>
<b>Net contribution by/(cost of) services</b>		<b>379,101</b>	<b>(239,629)</b>
Revenue from Government		20,800	20,811
Share of associates and joint ventures		10,385	(18,080)
<b>Surplus/(loss) from continuing operations</b>		<b>410,286</b>	<b>(236,898)</b>
OTHER COMPREHENSIVE INCOME			
<b>Items not subject to subsequent reclassification to net cost of services</b>			
Share of associates and joint ventures asset revaluation reserve		9,286	4,174
<b>Items subject to subsequent reclassification to net cost of services</b>			
Share of associates gains/(losses) on financial assets at fair value through other comprehensive income		(5,739)	2,115
<b>Total comprehensive income/(loss)</b>		<b>413,833</b>	<b>(230,609)</b>

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

### 7.3 Parent Entity Statement of Financial Position

as at 30 June

	Notes	2025 \$'000	2024 \$'000
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents		1,612,203	1,081,332
Trade and other receivables	7.4C	69,951	60,979
Loans and advances		4,011,491	2,708,167
Loans to subsidiaries	7.4B	1,085,496	1,006,617
Other debt securities		1,297,502	1,032,099
Equities and units in trusts		1,065,155	986,674
Equity accounted investments		395,935	354,251
Investment in subsidiaries	7.4A	250	250
Derivative financial assets		13,956	13,358
<b>Total financial assets</b>		<b>9,551,939</b>	<b>7,243,727</b>
<b>Non-financial assets</b>			
Property, plant and equipment		8,224	11,407
Prepayments		2,502	2,244
<b>Total non-financial assets</b>		<b>10,726</b>	<b>13,651</b>
Assets held for sale		72,867	–
<b>Total assets</b>		<b>9,635,532</b>	<b>7,257,378</b>
<b>LIABILITIES</b>			
<b>Payables and deferred revenue</b>			
Suppliers		6,539	4,616
Deferred revenue		49,636	32,954
Other payables		15,639	13,755
<b>Total payables and deferred revenue</b>		<b>71,814</b>	<b>51,325</b>
<b>Interest bearing liabilities</b>			
Leases		5,689	7,976
<b>Total interest-bearing liabilities</b>		<b>5,689</b>	<b>7,976</b>
<b>Provisions</b>			
Employee provisions		6,853	5,748
Concession on undrawn loan commitments		142,323	462,308
Provision for make good of leased premises		598	598
<b>Total provisions</b>		<b>149,774</b>	<b>468,654</b>
<b>Total liabilities</b>		<b>227,277</b>	<b>527,955</b>
<b>Net assets</b>		<b>9,408,255</b>	<b>6,729,423</b>
<b>EQUITY</b>			
Contributed equity		8,178,362	5,913,362
Reserves		27,366	23,820
Retained surplus		1,202,527	792,241
<b>Total equity</b>		<b>9,408,255</b>	<b>6,729,423</b>

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

Notes to Consolidated Financial Statements

Note 7: Parent entity information

7.4 Notes to Parent Entity Financial Statements

7.4A: Investment in subsidiary

On 6 December 2016 the Corporation incorporated a new subsidiary, CEFC Investments Pty Ltd, and subscribed for 250,000 shares of \$1 each, being 100% of the issued share capital. 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 2025: 6.85% (2024: 7.39%)
- Interest payment dates: 15 January and 15 July each year
- Maturity dates: ranging from 30 June 2026 to 15 January 2034.

The balance outstanding at 30 June 2025 was \$1.1 billion (2024: \$1.0 billion) and intercompany interest revenue for the year amounted to \$72.7 million (2024: \$61.5 million).

7.4C: Trade and other receivables

	2025 \$'000	2024 \$'000
Accrued interest on loan to CEFC Investments Pty Ltd	36,666	33,578
Others	33,285	27,401
	69,951	60,979

## Note 8: Other information

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

	2025 \$'000	2024 \$'000
<b>ASSETS EXPECTED TO BE RECOVERED IN:</b>		
<b>No more than 12 months</b>		
Cash and cash equivalents	1,612,262	1,081,370
Trade and other receivables	38,909	31,923
Loans and advances	591,398	656,720
Other debt securities	143,737	129,611
Prepayments	2,502	2,244
Property, plant and equipment	1,258	–
Assets held for sale	135,394	–
<b>Total no more than 12 months</b>	<b>2,525,460</b>	<b>1,901,868</b>
<b>More than 12 months</b>		
Loans and advances	3,420,093	2,051,447
Other debt securities	1,153,765	902,488
Equities and units in trusts	1,806,449	1,778,267
Equity accounted investments	775,005	665,230
Derivative financial assets	13,956	13,358
Property, plant and equipment	6,966	11,407
<b>Total more than 12 months</b>	<b>7,176,234</b>	<b>5,422,197</b>
<b>Total assets</b>	<b>9,701,694</b>	<b>7,324,065</b>
<b>LIABILITIES EXPECTED TO BE SETTLED IN:</b>		
<b>No more than 12 months</b>		
Suppliers	8,376	4,875
Deferred revenue	10,523	8,175
Other payables	12,215	10,933
Leases	2,057	2,331
Employee provisions	5,678	4,690
Provision for concession on undrawn loan commitments	1,105	28,796
<b>Total no more than 12 months</b>	<b>39,954</b>	<b>59,800</b>
<b>More than 12 months</b>		
Deferred revenue	39,114	24,780
Other payables	3,482	3,059
Leases	3,632	5,645
Employee provisions	1,175	1,058
Provision for concession on undrawn loan commitments	141,218	433,512
Provision for make good of leased premises	598	598
<b>Total more than 12 months</b>	<b>189,219</b>	<b>468,652</b>
<b>Total liabilities</b>	<b>229,173</b>	<b>528,452</b>

## Notes to Consolidated Financial Statements

### Note 8: Other information

#### 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.

## 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
<b>NET COST OF SERVICES</b>				
<b>EXPENSES</b>				
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)
<b>Total expenses</b>	<b>115,604</b>	<b>29,584</b>	<b>138,341</b>	<b>283,529</b>
<b>OWN-SOURCE INCOME</b>				
<b>Own-source revenue</b>				
Interest and loan fee revenue	242,658	7,079	110,717	360,454
Distributions from trusts and equity investments	48,287	–	–	48,287
<b>Total own-source revenue</b>	<b>290,945</b>	<b>7,079</b>	<b>110,717</b>	<b>408,741</b>
<b>GAINS AND LOSSES</b>				
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
<b>Total net gains</b>	<b>41,128</b>	<b>31,610</b>	<b>157,876</b>	<b>230,614</b>
<b>Net contribution by services</b>	<b>216,469</b>	<b>9,105</b>	<b>130,252</b>	<b>355,826</b>
Revenue from Government	–	6,529	14,271	20,800
Share of associates and joint ventures	39,478	(7,742)	–	31,736
<b>Surplus from continuing operations</b>	<b>255,947</b>	<b>7,892</b>	<b>144,523</b>	<b>408,362</b>
Other comprehensive income	7,245	(3,699)	–	3,546
<b>Total comprehensive income</b>	<b>263,192</b>	<b>4,193</b>	<b>144,523</b>	<b>411,908</b>

## Notes to Consolidated Financial Statements

### Note 8: Other information

#### Net assets per segment 30 June 2025

	General Portfolio \$'000	Specialised Investment Funds \$'000	Rewiring the Nation Fund \$'000	Group \$'000
<b>ASSETS</b>				
<b>Financial assets</b>				
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
<b>Total financial assets</b>	<b>6,834,528</b>	<b>607,737</b>	<b>2,113,309</b>	<b>9,555,574</b>
<b>Non-financial assets</b>				
Property, plant and equipment	4,327	1,113	2,784	8,224
Prepayments	2,501	1	–	2,502
<b>Total non-financial assets</b>	<b>6,828</b>	<b>1,114</b>	<b>2,784</b>	<b>10,726</b>
Assets held for disposal	62,527	–	72,867	135,394
<b>Total assets</b>	<b>6,903,883</b>	<b>608,851</b>	<b>2,188,960</b>	<b>9,701,694</b>
<b>LIABILITIES</b>				
<b>Payables and deferred revenue</b>				
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
<b>Total payables and deferred revenue</b>	<b>41,301</b>	<b>(799)</b>	<b>33,208</b>	<b>73,710</b>
<b>Interest bearing liabilities</b>				
Leases	2,993	770	1,926	5,689
<b>Total interest-bearing liabilities</b>	<b>2,993</b>	<b>770</b>	<b>1,926</b>	<b>5,689</b>
<b>Provisions</b>				
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
<b>Total provisions</b>	<b>27,509</b>	<b>6,466</b>	<b>115,799</b>	<b>149,774</b>
<b>Total liabilities</b>	<b>71,803</b>	<b>6,437</b>	<b>150,933</b>	<b>229,173</b>
<b>Net assets</b>	<b>6,832,080</b>	<b>602,414</b>	<b>2,038,027</b>	<b>9,472,521</b>



## Segmented Consolidated Statement of Comprehensive Income for the year ended 30 June 2024

	General Portfolio \$'000	Specialised Investment Funds \$'000	Rewiring the Nation Fund \$'000	Group \$'000
<b>NET COST OF SERVICES</b>				
EXPENSES				
Employee benefits	22,618	8,879	13,516	45,013
Suppliers	7,675	5,570	3,704	16,949
Depreciation and amortisation	2,048	600	1,105	3,753
Finance costs	138	41	75	254
Concessional loan charges	5,736	8,123	444,167	458,026
Impairment loss allowance on financial assets – loans	3,546	1,959	103	5,608
Impairment loss allowance/(reversal) on financial assets – associates and joint ventures	(4,683)	(2,751)	–	(7,434)
Losses from disposal of assets	5,193	9,756	–	14,949
<b>Total expenses</b>	<b>42,271</b>	<b>32,177</b>	<b>462,670</b>	<b>537,118</b>
OWN-SOURCE INCOME				
Own-source revenue				
Interest and loan fee revenue	221,646	978	7,423	230,047
Distributions from trusts and equity investments	46,797	–	–	46,797
<b>Total own-source revenue</b>	<b>268,443</b>	<b>978</b>	<b>7,423</b>	<b>276,844</b>
GAINS AND LOSSES				
Fair value gains on financial instruments	55,560	73,673	–	129,233
Fair value losses on financial instruments	(84,453)	(36,343)	–	(120,796)
Gain on reversal of prior period/(loss) on modification of financial assets	(1,330)	(658)	–	(1,988)
Reversal of prior period concessional loan charges	1,448	–	–	1,448
<b>Total net gains/(losses)</b>	<b>(28,775)</b>	<b>36,672</b>	<b>–</b>	<b>7,897</b>
<b>Net contribution by services</b>	<b>197,397</b>	<b>5,473</b>	<b>(455,247)</b>	<b>(252,377)</b>
Revenue from Government	–	7,279	13,532	20,811
Share of associates and joint ventures	21,281	(5,624)	–	15,657
<b>Surplus/(loss) from continuing operations</b>	<b>218,678</b>	<b>7,128</b>	<b>(441,715)</b>	<b>(215,909)</b>
Other comprehensive income	6,215	74	–	6,289
<b>Total comprehensive income/(loss)</b>	<b>224,893</b>	<b>7,202</b>	<b>(441,715)</b>	<b>(209,620)</b>

## Notes to Consolidated Financial Statements

### Note 8: Other information

#### Net assets per segment 30 June 2024

	General Portfolio \$'000	Specialised Investment Funds \$'000	Rewiring the Nation Fund \$'000	Group \$'000
<b>ASSETS</b>				
<b>Financial assets</b>				
Cash and cash equivalents	510,095	47,934	523,341	1,081,370
Trade and other receivables	29,961	56	1,906	31,923
Loans and advances	2,690,589	13,083	4,495	2,708,167
Other debt securities	1,032,099	–	–	1,032,099
Equities and units in trusts	1,515,567	262,700	–	1,778,267
Equity accounted investments	620,619	44,611	–	665,230
Derivative financial assets	13,358	–	–	13,358
<b>Total financial assets</b>	<b>6,412,288</b>	<b>368,384</b>	<b>529,742</b>	<b>7,310,414</b>
<b>Non-financial assets</b>				
Property, plant and equipment	6,222	1,825	3,360	11,407
Prepayments	2,243	1	–	2,244
<b>Total non-financial assets</b>	<b>8,465</b>	<b>1,826</b>	<b>3,360</b>	<b>13,651</b>
<b>Total assets</b>	<b>6,420,753</b>	<b>370,210</b>	<b>533,102</b>	<b>7,324,065</b>
<b>LIABILITIES</b>				
<b>Payables and deferred revenue</b>				
Suppliers	4,673	145	57	4,875
Deferred revenue	27,489	515	4,951	32,955
Inter-segment payable/(receivable)	11,787	(12,618)	831	–
Other payables	11,770	99	2,123	13,992
<b>Total payables and deferred revenue</b>	<b>55,719</b>	<b>(11,859)</b>	<b>7,962</b>	<b>51,822</b>
<b>Interest bearing liabilities</b>				
Leases	4,351	1,276	2,349	7,976
<b>Total interest-bearing liabilities</b>	<b>4,351</b>	<b>1,276</b>	<b>2,349</b>	<b>7,976</b>
<b>Provisions</b>				
Employee provisions	5,326	39	383	5,748
Concession on undrawn loan commitments	11,231	7,329	443,748	462,308
Provision for make good of leased premises	598	–	–	598
<b>Total provisions</b>	<b>17,155</b>	<b>7,368</b>	<b>444,131</b>	<b>468,654</b>
<b>Total liabilities</b>	<b>77,225</b>	<b>(3,215)</b>	<b>454,442</b>	<b>528,452</b>
<b>Net assets</b>	<b>6,343,528</b>	<b>373,425</b>	<b>78,660</b>	<b>6,795,613</b>

### 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 2024–25 Portfolio Budget Statements (PBS) to the Actual 2024–25 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 2025

	Actual \$'000	Budget <sup>1</sup> \$'000	Variance <sup>2</sup> \$'000
<b>NET COST OF SERVICES</b>			
<b>EXPENSES</b>			
Employee benefits	52,743	60,578	(7,835)
Suppliers	21,371	27,235	(5,864)
Depreciation and amortisation	3,948	3,929	19
Finance costs	211	151	60
Concessional loan charges	141,038	4,523,321	(4,382,283)
Write-down and impairment of financial assets	64,218	505,500	(441,282)
<b>Total expenses</b>	<b>283,529</b>	<b>5,120,714</b>	<b>(4,837,185)</b>
<b>OWN-SOURCE INCOME</b>			
<b>Own-source revenue</b>			
Interest and loan fee revenue	360,454	290,190	70,264
Distributions from trusts and equity investments	48,287	48,905	(618)
<b>Total own-source revenue</b>	<b>408,741</b>	<b>339,095</b>	<b>69,646</b>
<b>GAINS AND LOSSES</b>			
Fair value losses on financial instruments	(50,707)	–	(50,707)
Fair value gains on financial instruments	104,480	–	104,480
Profit from disposal of assets	13,847	–	13,847
Loss on modification of financial assets	(3,628)	–	(3,628)
Reversal of prior years' concessional loan charges	166,622	–	166,622
<b>Total net gains</b>	<b>230,614</b>	<b>–</b>	<b>230,614</b>
<b>Total own-source income</b>	<b>639,355</b>	<b>339,095</b>	<b>300,260</b>
<b>Net contribution by/(cost of) services</b>	<b>355,826</b>	<b>(4,781,619)</b>	<b>5,137,445</b>
Revenue from Government	20,800	20,800	–
Share of associates and joint ventures	31,736	–	31,736
<b>Surplus/(loss) from continuing operations</b>	<b>408,362</b>	<b>(4,760,819)</b>	<b>5,169,181</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Other comprehensive income	3,546	–	3,546
<b>Total comprehensive income/(loss)</b>	<b>411,908</b>	<b>(4,760,819)</b>	<b>5,172,727</b>

1. The Group's budgeted financial statement that was presented to Parliament in May 2024 in respect of the reporting period (i.e. from the CEFC section in the 2024–25 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 2024–25. Explanations of major variances are provided in Note 8.3B.

## Notes to Consolidated Financial Statements

### Note 8: Other information

#### Consolidated Statement of Financial Position as at 30 June 2025

	Actual \$'000	Budget <sup>1</sup> \$'000	Variance <sup>2</sup> \$'000
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	1,612,262	613,511	998,751
Trade and other receivables	38,909	39,609	(700)
Loans and advances	4,011,491	4,037,069	(25,578)
Other debt securities	1,297,502	1,246,408	51,094
Equities and units in trusts	1,806,449	1,704,170	102,279
Equity accounted investments	775,005	623,622	151,383
Derivative financial assets	13,956	14,625	(669)
<b>Total financial assets</b>	<b>9,555,574</b>	<b>8,279,014</b>	<b>1,276,560</b>
<b>Non-financial assets</b>			
Property, plant and equipment	8,224	8,679	(455)
Prepayments	2,502	1,921	581
<b>Total non-financial assets</b>	<b>10,726</b>	<b>10,600</b>	<b>126</b>
Assets held for sale	135,394	–	135,394
<b>Total assets</b>	<b>9,701,694</b>	<b>8,289,614</b>	<b>1,412,080</b>
<b>LIABILITIES</b>			
<b>Payables and deferred revenue</b>			
Suppliers	8,376	3,498	4,878
Deferred revenue	49,637	38,264	11,373
Other payables	15,697	16,424	(727)
<b>Total payables and deferred revenue</b>	<b>73,710</b>	<b>58,186</b>	<b>15,524</b>
<b>Interest bearing liabilities</b>			
Leases	5,689	5,133	556
<b>Total interest-bearing liabilities</b>	<b>5,689</b>	<b>5,133</b>	<b>556</b>
<b>Provisions</b>			
Employee provisions	6,853	5,540	1,313
Concession on undrawn loan commitments	142,323	4,534,564	(4,392,241)
Provision for make good of leased premises	598	594	4
<b>Total provisions</b>	<b>149,774</b>	<b>4,540,698</b>	<b>(4,390,924)</b>
<b>Total liabilities</b>	<b>229,173</b>	<b>4,604,017</b>	<b>(4,374,844)</b>
<b>Net assets</b>	<b>9,472,521</b>	<b>3,685,597</b>	<b>5,786,924</b>
<b>EQUITY</b>			
Contributed equity	8,178,363	7,838,363	340,000
Reserves	27,366	17,868	9,498
Retained surplus/(Accumulated deficit)	1,266,792	(4,170,634)	5,437,426
<b>Total equity</b>	<b>9,472,521</b>	<b>3,685,597</b>	<b>5,786,924</b>

1. The Group's budgeted financial statement that was presented to Parliament in May 2024 in respect of the reporting period (i.e. from the CEFC section in the 2024–25 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 2024–25. Explanations of major variances are provided in Note 8.3B.

Consolidated Statement of Changes in Equity  
for the year ended 30 June 2025

	Retained Surplus			Reserves			Contributed Equity			Total Equity		
	Actual \$'000	Budget <sup>1</sup> \$'000	Variance <sup>2</sup> \$'000	Actual \$'000	Budget <sup>1</sup> \$'000	Variance <sup>2</sup> \$'000	Actual \$'000	Budget <sup>1</sup> \$'000	Variance <sup>2</sup> \$'000	Actual \$'000	Budget <sup>1</sup> \$'000	Variance <sup>2</sup> \$'000
<b>Opening balance</b>												
Balance carried forward from previous year	858,430	590,185	268,245	23,820	17,868	5,952	5,913,363	5,633,363	280,000	6,795,613	6,241,416	554,197
<b>Comprehensive income</b>												
Surplus/(Deficit) for the year	408,362	(4,760,819)	5,169,181	–	–	–	–	–	–	408,362	(4,760,819)	5,169,181
Other comprehensive income	–	–	–	3,546	–	3,546	–	–	–	3,546	–	3,546
<b>Total comprehensive income/(loss)</b>	<b>408,362</b>	<b>(4,760,819)</b>	<b>5,169,181</b>	<b>3,546</b>	<b>–</b>	<b>3,546</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>411,908</b>	<b>(4,760,819)</b>	<b>5,172,727</b>
<b>Transactions with owners</b>												
<b>Contributions by owners</b>												
Net equity injection from Special Account	–	–	–	–	–	–	2,265,000	2,205,000	60,000	2,265,000	2,205,000	60,000
<b>Total transactions with owners</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2,265,000</b>	<b>2,205,000</b>	<b>60,000</b>	<b>2,265,000</b>	<b>2,205,000</b>	<b>60,000</b>
<b>Closing balance as at 30 June</b>	<b>1,266,792</b>	<b>(4,170,634)</b>	<b>5,437,426</b>	<b>27,366</b>	<b>17,868</b>	<b>9,498</b>	<b>8,178,363</b>	<b>7,838,363</b>	<b>340,000</b>	<b>9,472,521</b>	<b>3,685,597</b>	<b>5,786,924</b>

1. The Group's budgeted financial statement that was presented to Parliament in May 2024 in respect of the reporting period (i.e. from the CEF-C section in the 2024–25 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 2024–25. Explanations of major variances are provided in Note 8.3B.

## Notes to Consolidated Financial Statements

### Note 8: Other information

#### Consolidated Cash Flow Statement

for the year ended 30 June 2025

	Actual \$'000	Budget <sup>1</sup> \$'000	Variance <sup>2</sup> \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Receipts from Government	20,800	20,800	–
Interest and fees	328,476	241,607	86,869
Distributions from trusts and equity investments	47,612	45,683	1,929
<b>Total cash received</b>	<b>396,888</b>	<b>308,090</b>	<b>88,798</b>
<b>Cash used</b>			
Employees	49,301	60,100	(10,799)
Suppliers	20,296	27,235	(6,939)
Interest payments on lease liabilities	164	151	13
<b>Total cash used</b>	<b>69,761</b>	<b>87,486</b>	<b>(17,725)</b>
<b>Net cash from operating activities</b>	<b>327,127</b>	<b>220,604</b>	<b>106,523</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Principal loan repayments received	533,976	836,020	(302,044)
Sale of other debt securities	162,263	141,723	20,540
Sale of equities and units in trusts	62,758	154,000	(91,242)
Sale of investment in associates and joint ventures	27,770	–	27,770
Distributions from associates and joint ventures	10,247	–	10,247
<b>Total cash received</b>	<b>797,014</b>	<b>1,131,743</b>	<b>(334,729)</b>
<b>Cash used</b>			
Loans made to other parties	2,222,319	3,048,893	(826,574)
Purchase of other debt securities	412,718	357,269	55,449
Purchase of equities and units in trusts	112,229	97,000	15,229
Investment in associates and joint ventures	107,931	–	107,931
Purchase of property, plant, equipment and computer software	715	1,000	(285)
<b>Total cash used</b>	<b>2,855,912</b>	<b>3,504,162</b>	<b>(648,250)</b>
<b>Net cash from/(used by) investing activities</b>	<b>(2,058,898)</b>	<b>(2,372,419)</b>	<b>313,521</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Contributed equity	3,465,000	2,555,000	910,000
<b>Total cash received</b>	<b>3,465,000</b>	<b>2,555,000</b>	<b>910,000</b>
<b>Cash used</b>			
Return of equity	1,200,000	350,000	850,000
Principal payments of lease liabilities	2,337	2,415	(78)
<b>Total cash used</b>	<b>1,202,337</b>	<b>352,415</b>	<b>849,922</b>
<b>Net cash from financing activities</b>	<b>2,262,663</b>	<b>2,202,585</b>	<b>60,078</b>
<b>Net increase in cash held</b>	<b>530,892</b>	<b>50,770</b>	<b>480,122</b>
Cash and cash equivalents at the beginning of the reporting period	1,081,370	562,741	518,629
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>1,612,262</b>	<b>613,511</b>	<b>998,751</b>

1. The Group's budgeted financial statement that was presented to Parliament in May 2024 in respect of the reporting period (i.e. from the CEFC section in the 2024–25 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 2024–25. Explanations of major variances are provided in Note 8.3B.

### 8.3B: Major budget variances for 2024–25

#### 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 \$4,523m, predominantly for RTN loans, but the actual concession, net of reversal of prior years' concession charges, was a net reversal of \$26m, a positive net variance of \$4,549m.

Some highly concessional loans, to support RTN (including the loan for Marinus Link referred to in note 1.5), new technologies or strategic projects, that were included in the budget have not yet reached contractual close at 30 June 2025.

#### Write down and impairment of financial instruments

The Group's impairment provision expense for the year was \$64.2m resulting in a favourable variance of \$441.3m 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 \$70.3m higher than budget, principally due to highly concessional new loan investments being funded later than was assumed in the budget (the interest rate earned on cash and short-term investments awaiting deployment exceeds the concessional interest rate budgeted to be earned on the new loan investments).

#### 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 \$104.5m relate mostly to Equities and units in trusts, mainly in infrastructure sector and some Innovation Fund investments.

Fair value losses of \$50.7m relate primarily to a reduction in the value of Equities and units in trusts, mainly in the property sector.

## Notes to Consolidated Financial Statements

### Note 8: Other information

#### Affected line items

#### Explanations of major variances

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND CONSOLIDATED STATEMENT OF CHANGES IN EQUITY:	
Cash and cash equivalents	Cash and cash equivalents are \$998.8m higher than budget, due to the opening balance at 1 July \$518.6m higher than budget and net cash outflows for investing activities during the year \$313.5m lower than budgeted and other variances as discussed under Consolidated Cashflow Statement.
Other debt securities	Other debt securities are \$51.1m higher than budget due to the timing of bond purchases in connection with HEUF.
Equities and units in trusts	Equities and units in trusts are \$102.3m higher than budget including net fair value gains of \$31m and larger than forecast funding of new equity investments.
Equity accounted investments	Equity accounted investments are \$151.4m higher than budget due to the size of CEFC's ownership interest resulting in more investments being classified as Associates under AASB 128 and larger than forecast funding of these equity investments.
Concession on undrawn loan commitments	Provisions for loan commitments is \$4,316.5m lower than budget primarily due to a lower than budgeted concession expense as highly concessional loans budgeted to reach contractual close in the year have not yet done so.
Contributed equity	Contributed equity is \$340m higher than budget. The opening balance at 1 July 2024 was \$280m higher than budgeted and net draws from the Special Account during the year were \$60m more than budgeted. These variances are due to funds being drawn from the CEFC Special Account to fund anticipated draws by borrowers that were subsequently delayed.
Retained surplus	The retained surplus at 30 June 2025 is \$5,437m higher than budget mainly due to the higher than budgeted surplus generated in the year as a result of the lower than budgeted concessional charges for the year.
Total equity	Total equity at 30 June 2025 is \$5,787m higher than budget due to: higher than budgeted Contributed equity \$340m, higher than budget Reserves \$9m and Retained surplus \$5,437m as described above.



## Affected line items

## Explanations of major variances

**CONSOLIDATED CASH FLOW STATEMENT:**

<b>Net cash from operating activities</b>	The \$106.5m positive variance to budget is primarily attributable to higher than budgeted interest receipts and lower than budgeted spend on employees and suppliers.
<b>Principal loan repayments received</b>	Principal loan repayments received are \$302.0m lower than budget due to the forecasted early repayment of one loan and sell-down of another loan (included in assets held for sale at 30 June 2025) not occurring until August 2025.
<b>Sale of equities and units in trusts</b>	Proceeds from the sale of equities and units in trusts were \$91.2m lower than budget with a budgeted sale during the year (included in assets held for sale at 30 June 2025) not occurring until July.
<b>Loans made to other parties</b>	Cash used to fund loans made to other parties is \$826.6m 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 new RTN loans.
<b>Purchase of other debt securities</b>	The amount invested in other debt securities during the year is \$55.4m above budget due to the timing of bond purchases in connection with HEUF.
<b>Investment in associates and joint ventures</b>	Investment in associates and joint ventures is \$107.9m higher than budget due to the relative size of CEFC's equity investments resulting in classification as Associates under AASB 128 and to timing differences of when funds were budgeted to be called and when they were actually called.
<b>Contributed equity and return of equity</b>	The CEFC drew \$910m more than budget from the Special Account to fund new investment commitments and returned \$850m more than budget to the Special Account from the proceeds of loan repayments leading to a net variance of \$60m for the year.
<b>Cash and cash equivalents at the beginning of the reporting period</b>	Cash and cash equivalents at 1 July 2024 were \$518.6m higher than budget, mainly due to lower than budgeted investing outflows towards the end of the previous financial year.
<b>Cash and cash equivalents at the end of the reporting period</b>	Cash and cash equivalents at 30 June 2025 are \$998.8m higher than budget, mainly due to the opening balance \$518.6m higher than budgeted, net cash outflows for investing activities \$313.5m lower than budget and the other cash flow variances discussed above.

# How we approach sustainability and climate disclosure

## Sustainability

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# Commonwealth Climate Disclosure

The CEFC plays an important role in the achievement of 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, the opportunities to be considered under the Commonwealth Climate Disclosure (CCD) 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 1 disclosures, as well as additional voluntary disclosures, including climate scenario analysis and financed emissions 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 J for disclosures against CCD reporting requirements.

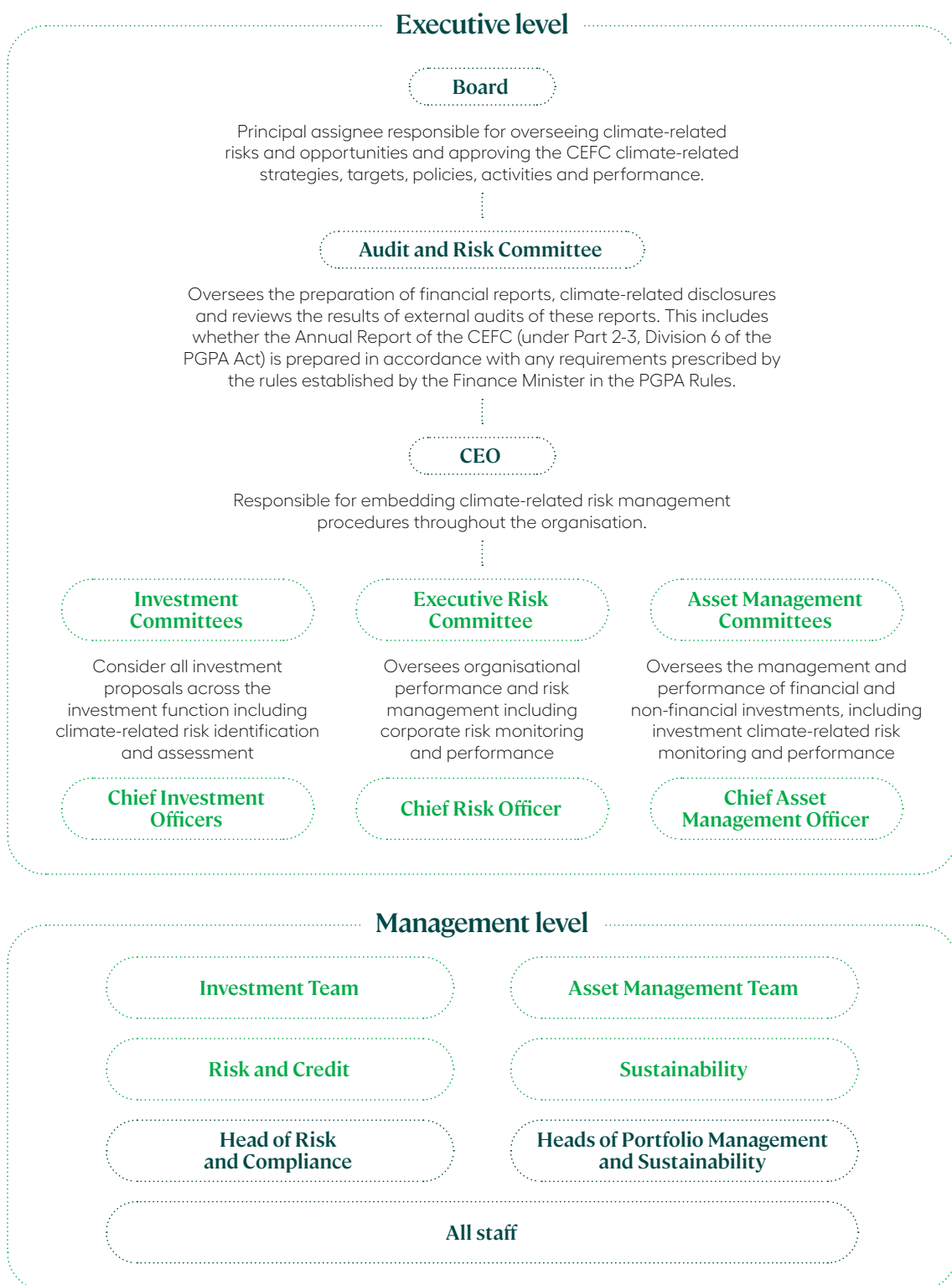
The CEFC Board is the accountable authority for the CEFC within the meaning of section 12 of the PGPA Act and is responsible for approving this CCD.

### Structure and accountability

During the reporting year, the CEFC undertook a review of Board and Committee charters, and the enterprise Risk Management Framework (RMF) to ensure climate risk considerations are formally recognised, and that roles and responsibilities are clearly defined. In 2025–26 we will progressively update our charters and frameworks, harmonising our governance policies with existing climate practice.

Consideration of climate-related risk is further integrated into our Risk Appetite Statement (RAS). 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 – 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) for Year 1 reporting, noting that the CEFC investment risk management requires a broader approach to address matters of material risk. CROMP reporting is expected to expand to cover investments in Years 2 and 3.

Figure 37: Climate governance and accountability structure





Commonwealth Climate Disclosure

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 and opportunities. Our climate 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, professional development sessions and updates ensure the Board is briefed on climate disclosure standards, the evolving regulatory landscape, best practice and emerging legal obligations. This included a tailored Board briefing session on climate disclosure in 2024–25.

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.

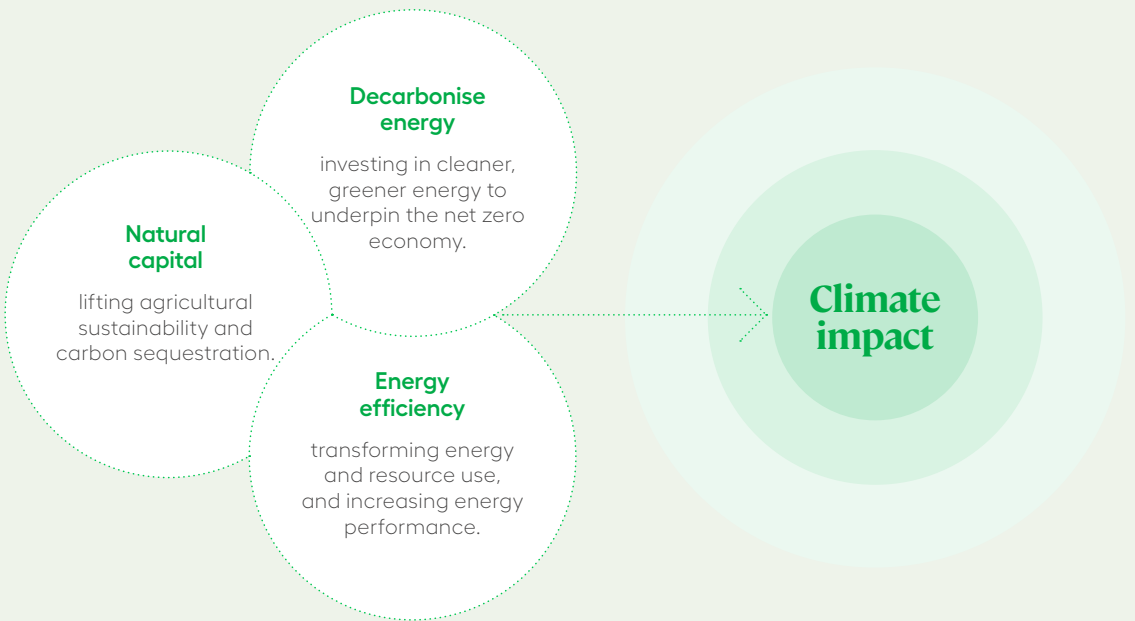
- **Focused recruitment and continued learning:** a strong focus on building skills in-house, continued professional development and knowledge-sharing ensures our team continues to build its expertise on an enterprise-wide basis.
- **Multi-disciplinary expertise:** teams bring deep, multi-disciplinary 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 research team providing research and analysis 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, including the target of 82 per cent renewable energy generation by 2030 and the achievement of net zero emissions by 2050. The economy-wide approach to decarbonisation prioritises investments across three main areas of economic activity: energy decarbonisation; the efficient use of energy and materials, and the development of natural capital and carbon sequestration measures.

Figure 38: CEFC strategic investment priorities



The identification and management of climate risks and opportunities occurs across the investment lifecycle:

- **Origination:** identifying opportunities that align with our strategic objectives, the CEFC Act and Investment Mandate.
- **Investment decision-making:** as part of the screening process, we consider investment-level climate risks and capitalise on opportunities. Our investments help scale new technologies, support 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.

Climate-related risk assessment

The CEFC considers climate-related risks and opportunities relating to both our investment and corporate activities, and the potential for these to affect how we deliver on broader policy objectives across transition and physical risk:

- **Transition:** Such as evolving regulatory requirements or policy shifts that may affect the viability of projects in emissions-intensive sectors and require adjustments to our origination or investment approach.

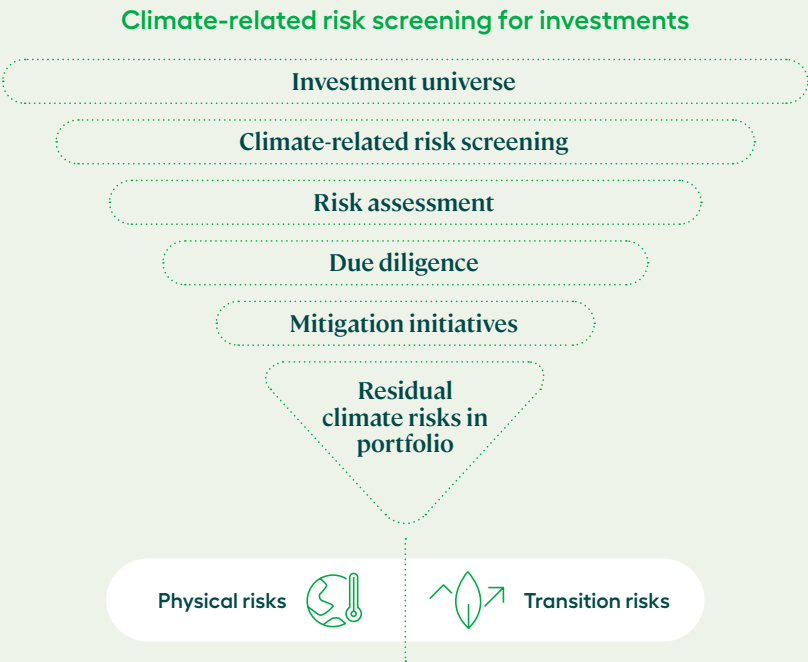
- **Physical:** Such as the increasing frequency of extreme weather events that may impact assets in our portfolio and therefore affect how we deliver long-term climate solutions and economic outcomes.

Corporate-related impacts

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 is the potential for these instances:

- 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
- Supply chain delays affecting delivery of critical supporting technology or services
- Increasing operational costs, including insurance, energy use and maintenance, where climate-related impacts drive market or infrastructure pressure.

Figure 39: Material climate-related risks and opportunities: Investment-related



Commonwealth Climate Disclosure

Investment-related impacts

While the CCD prioritises focus on operational risks and opportunities in its first year, we have taken a broader view to reflect that our most material climate-related risks and opportunities relate to our investment activities.

Figure 40: Material climate-related risks

Statement of climate-related risk	Assessment	Category
Exposure to adverse regulatory, policy or technology change in emissions-intensive sectors	Risk	Transition
Physical climate risk to financed assets and infrastructure	Risk	Physical
Financing decarbonisation in hard-to-abate sectors	Opportunity	Transition
Investment in clean energy, storage, electrification, natural capital and other supporting technologies	Opportunity	Transition
Supporting early-stage innovation, decarbonisation enablers and market transformation through capital deployment	Opportunity	Transition
Regenerating low productivity agricultural land, including restoring areas of natural wetland onsite as well as addressing soil condition, salinity, water infiltration rates, and water-holding capacity	Opportunity	Physical

Climate scenario analysis

Portfolio physical and transition risk

The CEFC conducts climate scenario analysis across both physical and transition risks to understand potential climate impacts.<sup>1</sup>

In 2023–24, we undertook a comprehensive scenario analysis exercise considering climate risks and opportunities to enhance our understanding of physical and transition risk across our portfolio. This provides a foundation to be refined over time.

In 2024–25 we continued our focus on physical climate risks (the more material risk), recognising the widespread nature of climate hazards, the diversity of our investments across sectors and geographies, and the potential implications for technology and supply chains.

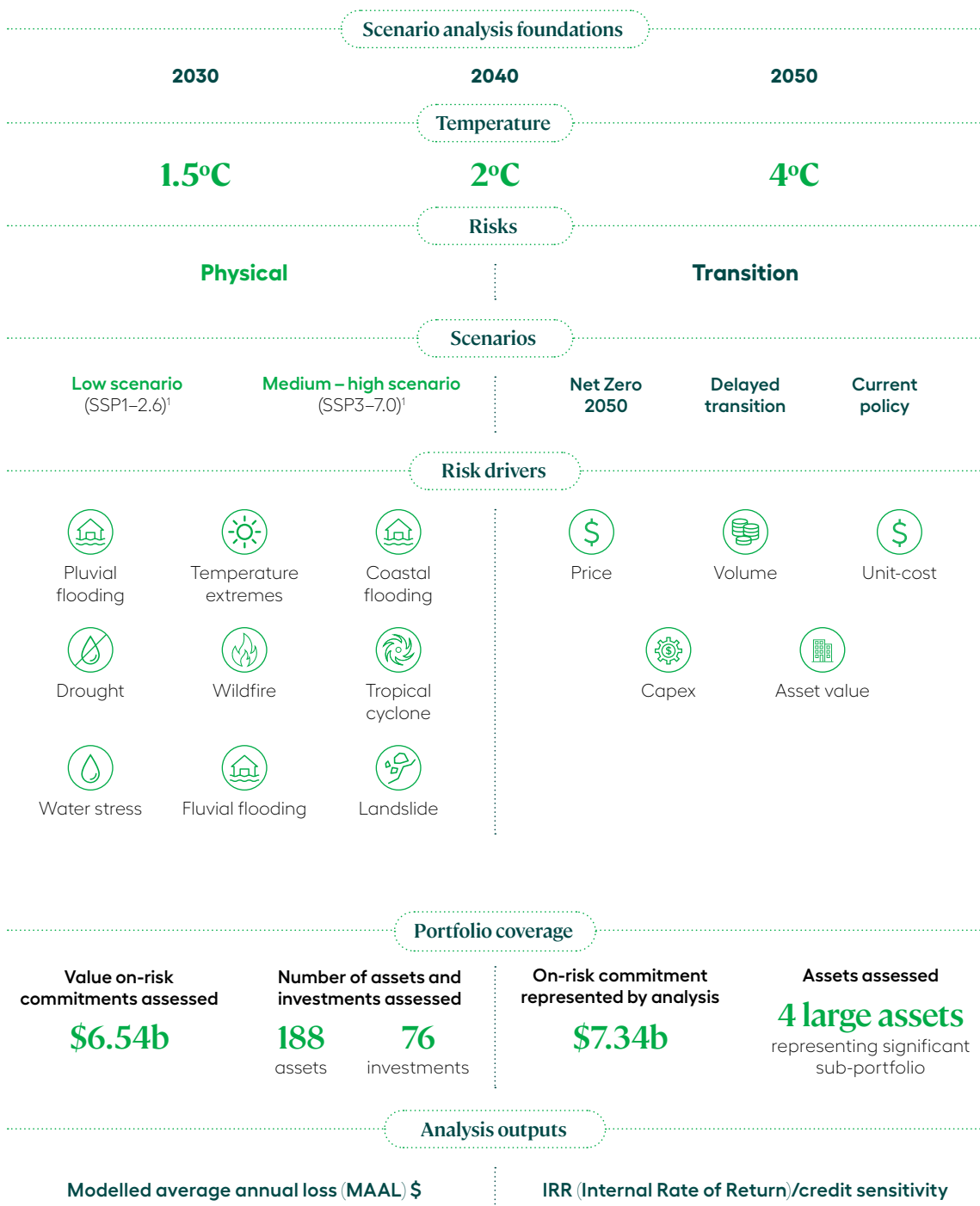
Figure 41: Climate scenario analysis developments: 2024–25

Priority focus	Action
Pipeline screening	Assessed physical climate risks for material assets in the investment pipeline
Acute versus chronic	Improved recognition of the nature of the risks to support targeted climate adaptation
Net zero alignment framework	Developed and applied a framework to evaluate transition opportunities for individual investments and determined their alignment with international standards
Timeframe selection methodology	Established a clear and consistent approach to selecting timeframes for scenario analysis
Quantitative information	Disclosed risk percentages and quantified financial exposures across the portfolio

1. CEFC scenario analysis is focused on investment activities, with corporate operations not considered material for this purpose.



Figure 42: Physical and transition risk attributes: 2024–25



1. SSP (Shared Socioeconomic Pathways) are Intergovernmental Panel on Climate Change (IPCC) scenarios used to explore future socioeconomic developments and climate change impacts.

Commonwealth Climate Disclosure

Portfolio exposure approach

The CEFC leverages established third-party frameworks and tools to apply credible 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 Intergovernmental Panel on Climate Change (IPCC) scenarios as the primary external framework. The assessment is supported by outputs from the S&P Global Climonomics platform that quantifies the potential financial impact of these risks across the CEFC portfolio.
- **Transition risk assessment:** The CEFC continues to leverage the analysis summarised in its 2023-24 Annual Report, using established external frameworks, such as the Network for Greening the Financial System (NGFS) scenarios. These frameworks are primarily used for stress-testing and assessing the resilience of the CEFC investment portfolio under various climate transition scenarios.

Scenario timeframes

The CEFC assesses materiality based on its objectives and its capacity to deliver both public policy outcomes and financial impact, as required in the CCD.

In line with this, the CEFC adopts a long-term perspective on investment impact, extending beyond the immediate financial product to encompass the lifespan of the underlying assets. 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.

To effectively manage climate-related risks and opportunities, the CEFC has structured its approach around short-, medium- and long-term horizons. This ensures investment decisions align with both climate resilience and long-term value creation.

Figure 43: Time horizons used in the analysis

Time horizon	Years from current financial period	Year
Short	0-5 years	2030
Medium	6-15 years	2040
Long	16-25 years	2050

Physical risk materiality

The CEFC portfolio includes a diverse range of financial products and structures, including large single-asset investments, diversified managed funds and corporate loans with multiple discrete projects. This results in geographically and technically varied exposures. In assessing materiality, the CEFC adopts a financial product-agnostic approach, focusing instead on the scale of financial exposure and the nature of the underlying tangible assets. By doing so, the CEFC ensures a consistent evaluation across all material investment types.

From the materiality reviews, some investment types were excluded from the assessment, including:

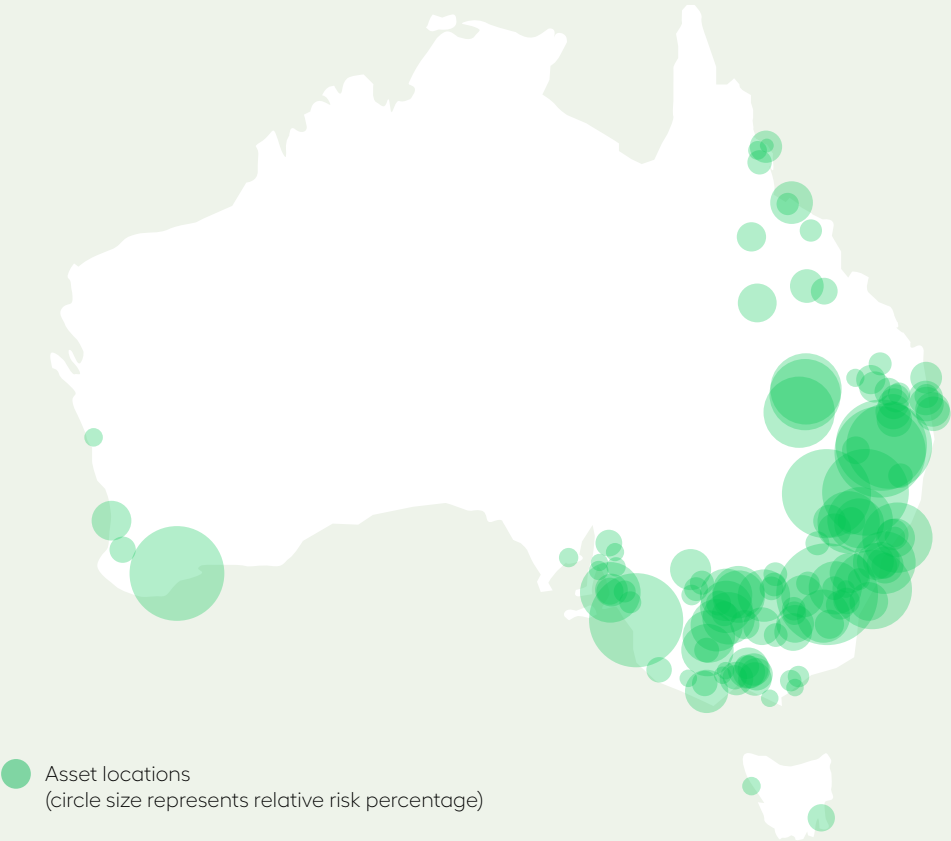
- Geographically diverse asset finance programs
- Some managed fund investments into multiple companies or projects
- Green bonds
- Selective diversified corporate investments where measurement of relevant projects is impractical and risks are limited.

Geographic exposure

CEFC investments and assets are diversely spread across Australia, and are subject to a range of climatic and geographical exposures. Approximately 95 per cent of CEFC portfolio assets are potentially exposed to longer-term chronic climate risks, with a notable geographic concentration along mainland Australia's south-eastern region. The CEFC is supporting opportunities across sectors to mitigate these risks and enhance climate resilience. Key initiatives include:

- Embedding adaptation plans for large infrastructure assets
- Deploying nature-based solutions to improve soil salinity, water infiltration rates and water holding capacity in natural capital investments.

Figure 44: Physical risk and geographic exposure



Commonwealth Climate Disclosure

Physical risk type and CEFC sectors

The CEFC portfolio includes significant investment exposures in relatively lower areas of physical climate risk, such as renewables and transmission. Portfolio diversification, including in natural capital, manufacturing and property, is in areas of relatively greater climate risk. This results in a more balanced level of absolute sector risk across the portfolio.

Figure 45: Physical risk type by sector: medium-high (4°C) 2050 scenario

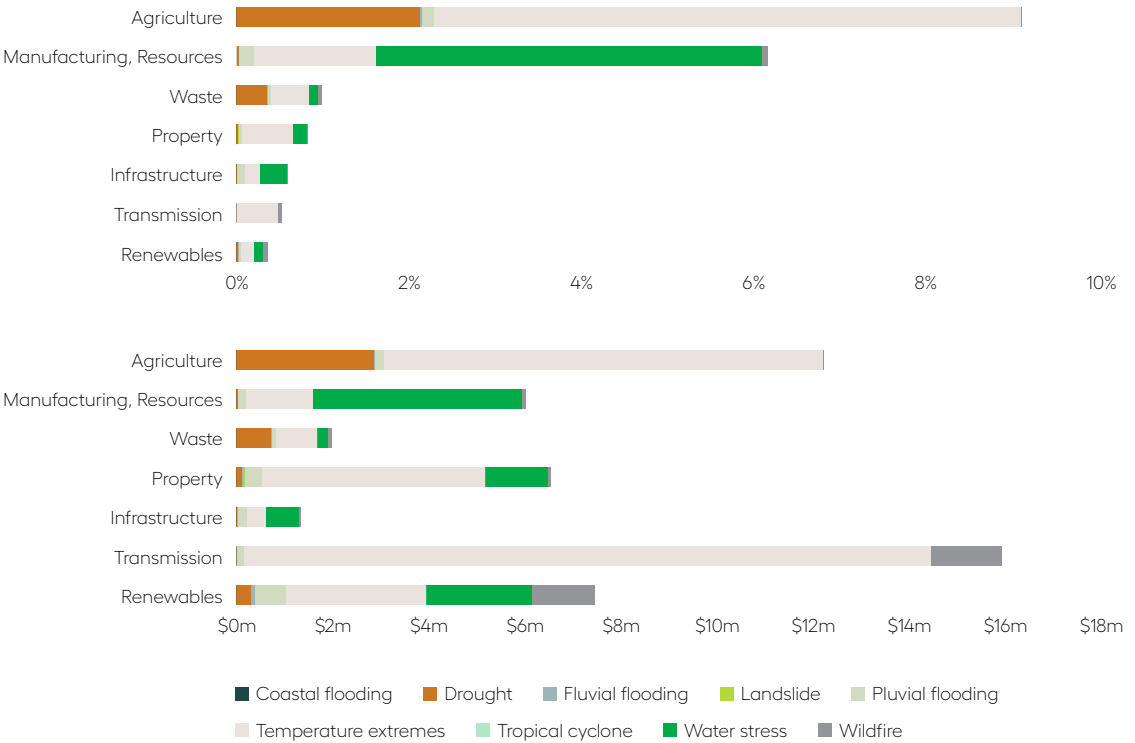
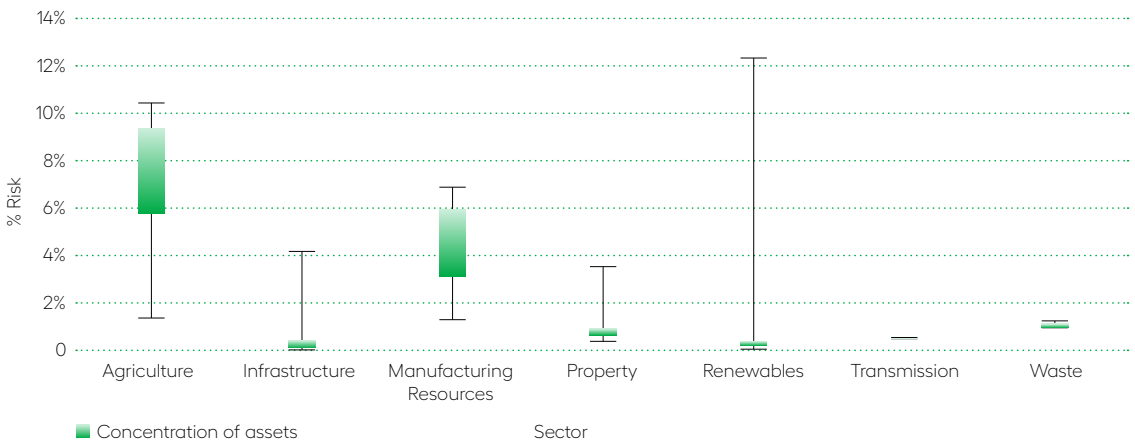


Figure 46: Physical risk range by sector: medium-high (4°C) 2050 scenario



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. For example, in the renewables sector analysis, hydro assets have specific high risks driven by water stress and drought.

### Physical risk financial impact analysis

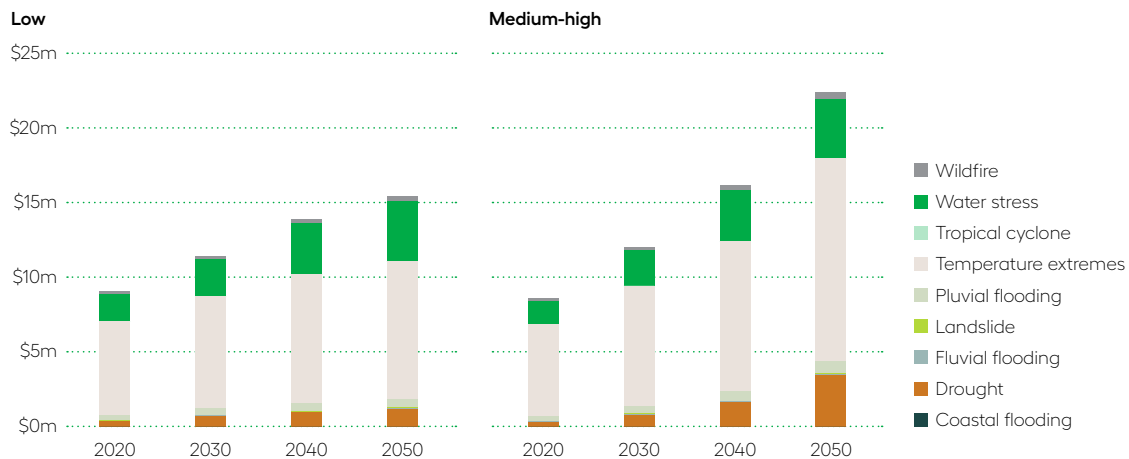
Higher temperature scenarios projected over longer time horizons are expected to increase climate-related risk across the CEFC portfolio.

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, whereas equity losses are assumed at 100 per cent. Debt investments comprise approximately 75 per cent of the CEFC on-risk portfolio. 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 annual losses due to physical climate risk.

Modelling indicates a potential annual loss of approximately \$22 million per year by 2050 under a medium-high (4°C) 2050 scenario.

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 remain relatively resilient with low climate-related risk due to better climate-adaptation risk measures already being factored into newer builds.

Figure 47: 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 required adaptation or mitigation measures.

Figure 48: 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 %

Commonwealth Climate Disclosure

Transition risk scenario analysis assessment

We anticipate relatively limited transition risks, with CEFC investments typically well positioned to benefit from the transition to a low-carbon economy. We tested this hypothesis (CEFC Annual Report 2023-24) across four investments in categories representing 62 per cent of the portfolio, including both debt and equity investments.

- **Large-scale renewables:** similar risks for large-scale debt and equity, including funds, project finance and corporate loans
- **Energy infrastructure:** similar risks for transmission projects, including project finance and corporate loans
- **Property:** similar risks for property fund and debt instruments, including office, industrial, build-to-rent and other residential assets
- **Agriculture:** similar risks for equity and debt transactions in the sector.

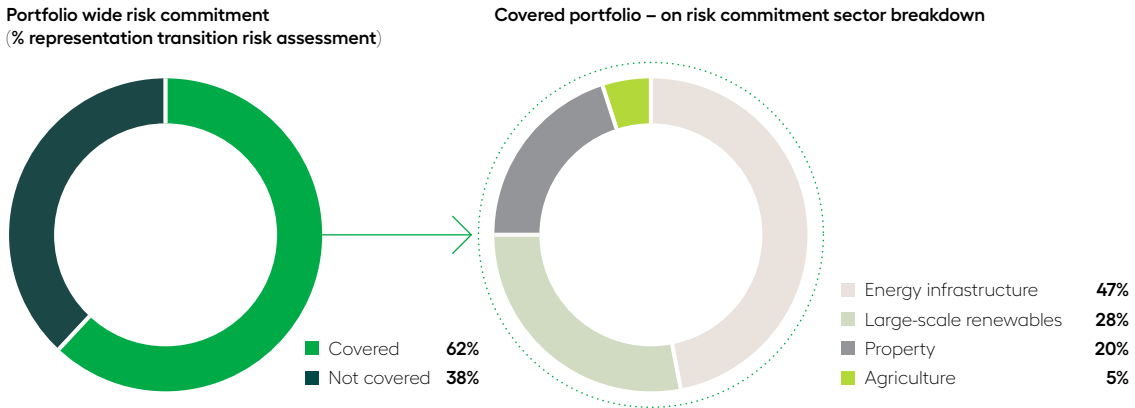
The analysis indicated limited impact from the transition risks identified for energy infrastructure and large-scale renewables. For agriculture, there was a moderate impact of less than 2 per cent in IRR (Internal Rate of Return) by 2050 for the asset tested, in a material downside scenario and assuming no management intervention. There was a negligible impact on property.

The remaining 38 per cent of the portfolio categorised as “not covered” (i.e. considered not to be represented within the four asset classes in the 2023-24 transition analysis) amounts to \$4.54 billion of on-risk exposure. Work continues to evaluate these exposures for alignment with net zero objectives, incorporating an assessment of transition risks and opportunities, based on our internally developed net zero alignment framework.

Figure 49: Transition risk outputs

Material sectors and asset class	Risk drivers					Material downside Impact
	Price	Unit cost	Capex	Volume	Asset value	
Energy transmission infrastructure		●	●			Limited
Large-scale renewables		●	●			Limited
Agriculture	●	●			●	Moderate
Property	●	●	●		●	Negligible

Figure 50: On-risk commitments covered – breakdown



## Concentration of impacts

We have identified areas where climate-related risks and opportunities are concentrated, and these are primarily across our investment activities.

### Sectoral concentration

Transition risk is highest in hard-to-abate sectors such as agriculture. There is a limited impact on energy infrastructure and renewables investments.

### Geographic concentration

Financed 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 and managed to avoid constraining our broader efforts to align capital with national climate outcomes as well as our exposures across the portfolio.

## 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*. This procedure complements our overarching risk management process by outlining how climate risk is identified, assessed and addressed within the CEFC broader governance and risk management. Refer to the [CEFC website](#).

Within 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. While the nature of the CEFC's investments means they are capitalising on transition opportunity and therefore have minimal exposure to transition risk, physical risk is as material a consideration for clean energy investments as any other investment.

### Corporate climate risk

The CEFC's corporate climate-related physical and transition risks and opportunities refer to the risks that could impact our direct operations, which includes offices, staff and material suppliers.

## Investment risk approach

### Transition climate risk

The CEFC is a specialist investor in Australia's transition to net zero emissions by 2050. Transition risks and opportunities for the CEFC are integrated into the investment screening process. Transition risks and opportunities are assessed at an economy-wide scale to inform the organisation's climate strategy.

The CEFC uses external frameworks such as the NGFS and Cambridge Wise Principles to evaluate materiality, understand potential impacts and establish principles for reporting. The CEFC assesses and identifies transition related risk and opportunities:

- Select investments have been assessed for transition risk and opportunities under the NGFS scenarios
- Assessment and reporting on financed emissions annually based on the Partnership for Carbon Accounting Financials (PCAF) methodology
- Assessment and categorisation of all new investment alignment for net zero alignment, based on an internal net zero investment framework
- We have evaluated the 'value at risk' for representative equity and debt exposures. This is quantified through financial related metrics, including IRR for equity and credit risk sensitivity for debt.

### Physical climate risk

Investment-related physical risk is assessed using the Intergovernmental Panel on Climate Change (IPCC) 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 physical assets in its investment portfolio, it conducts due diligence and maintains ongoing dialogue with counterparties to encourage appropriate risk management and mitigation strategies.

Commonwealth Climate Disclosure

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. The CEFC Principles for Suppliers aims to reduce the GHG emissions associated with goods and services supplied to the CEFC, including those supporting CEFC offices.

Physical climate risk

The CEFC has established a Business Continuity and Recovery Framework that guides planning a response to physical and service disruptions, including any damage or disruption to access to the offices.

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 as we expand into Years 2 and 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 sustainability performance is integrally linked to our corporate performance, as discussed through the Annual Report for 2024–25, including in the Performance Statement and Analysis 2024–25 report. In addition, the 2025–26 Corporate Plan includes abatement and decarbonisation targets for the future. These include the capacity of new renewable energy and energy storage projects and the amount of grid capacity we unlock through our Rewiring the Nation Fund.

Figure 51: 2025–26 Corporate Plan sustainability and climate objectives

Mt estimated emissions reduction pa	0.18 Mt–0.23 Mt
TWh of expected annual output of new capacity financed	2.3 TWh–2.8 TWh
Delivering the RTN	Target = 2 of 3 outcomes
– Reach contractual close on 2 to 3 RTN projects*	Stretch = 3 of 3 outcomes

\* This excludes projects that reached commercial commitment in the 2024–25 year

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 have maintained this trajectory in 2024–25 and will continue to report annually against this target. This was met via a combination of GreenPower contracts and procurement and retirement of LGCs for the balance of our electricity consumption. 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.

Figure 52: CEFC Scope 1 and 2 emissions

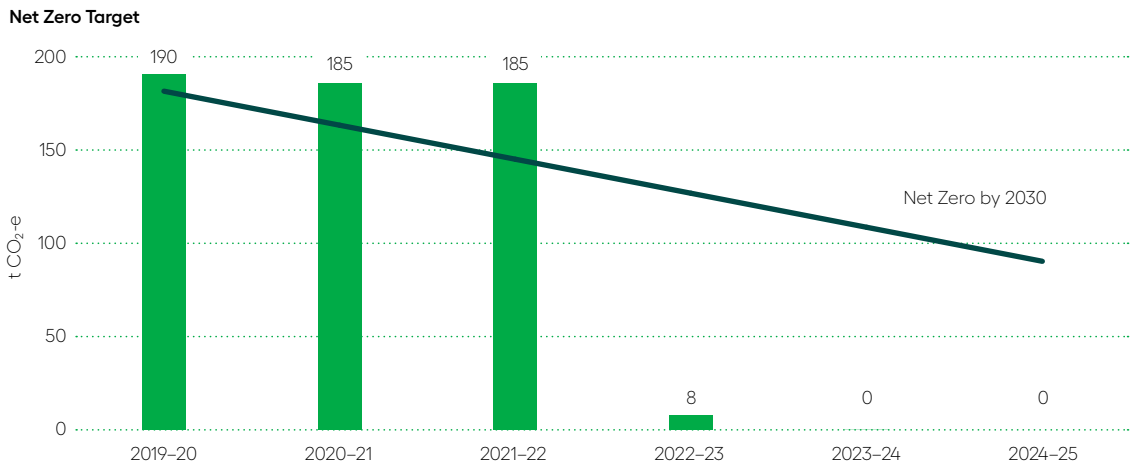




Figure 53: Progress against our net zero commitment

Target	Status in 2024–25
Net zero Scope 1 and 2 emissions by 2030	Achieved net zero for two consecutive years with commitment to maintain.
Scope 3: Working across the value chain to identify opportunities	<i>In progress, with residual Scope 3 emissions (exc. Cat 15) offset with ACCUs</i> Refer below: Corporate Scope 3 emissions.

Corporate Scope 3 emissions

The CEFC has reached net zero Scope 1 and 2, and is committed to maintaining this. This section outlines future CEFC actions to reduce Scope 3 emissions, addressing emissions across our value chain. Refer to Appendix J for details about CEFC corporate Scope 3 emissions.

Figure 54: CEFC actions to reduce Scope 3 emissions

	<b>EV novated leases for staff:</b> The CEFC does not have a corporate vehicle fleet. Novated leases are available to employees for the purchase of 100 per cent electric vehicles.
	<b>Sustainable procurement policy:</b> Sustainable procurement includes the provision of 100 per cent Australian fresh produce, the use of 99 per cent recycled packaging and the donation of unused food to charities.
	<b>Travel:</b> 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.
	<b>Building energy, water, waste management:</b> These ratings are available in the Ecologically Sustainable Development and Environmental Performance report.

Commonwealth Climate Disclosure

Financed emissions

The CEFC is a signatory to PCAF and is reporting on its financed emissions for the second year in 2024–25. 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:

- The emissions of the investment multiplied by the outstanding amount of finance (at a specified date) as a percentage of the total finance
- This calculation is used to allocate a proportion of the emissions of the project, asset or entity to the financier, relative to the level of funding that it has contributed.

Corporate emissions and financed emissions are reported on different timeframes. Financed emissions are reported with a one-year lag to provide sufficient time to collate counterparty reported emissions and improve accuracy. The 2024–25 reporting period is based on financed emissions data from the 2023–24 financial year.

Financed emissions for 2023–24 were an estimated 130 kt CO<sub>2</sub>-e, representing more than 99 per cent of total emissions within the CEFC boundary.

Figure 55: CEFC financed emissions 2023–24 (2024–25 reporting period)

Emissions		2022–23	2023–24
		t CO <sub>2</sub> -e/yr	
Corporate emissions <sup>1</sup>	Scope 1	0	0 <sup>4</sup>
	Scope 2 <sup>3</sup>	8 (0.1%)	0 (0%) <sup>4</sup>
	Scope 3 (excluding category 15)	229 (0.2%)	343 (0.3%) <sup>4</sup>
Financed emissions <sup>2</sup> (Investment portfolio)	Scope 3	145,234 (99.8%)	129,930 (99.7%)
	Category 15 (Scope 1 & 2)		
Total		145,471	130,273

1. Corporate emissions calculated using APS Net Zero emissions reporting standard emissions boundary and accounting methodology.  
2. Financed emissions are calculated in line with Partnership for Carbon Accounting Financials Global GHG Accounting and Reporting Standard – Part A. Refer to Appendix J  
3. Market-based Scope 2 emissions.  
4. As reported in CEFC Annual Report 2024

Assessment approach

Financed emissions and emissions abatement occur over a range of timeframes. As we build a portfolio of investments that support Australia’s transition to a net zero by 2050, we expect to see the financed emissions of some of our investments to increase in the short term as we continue to:

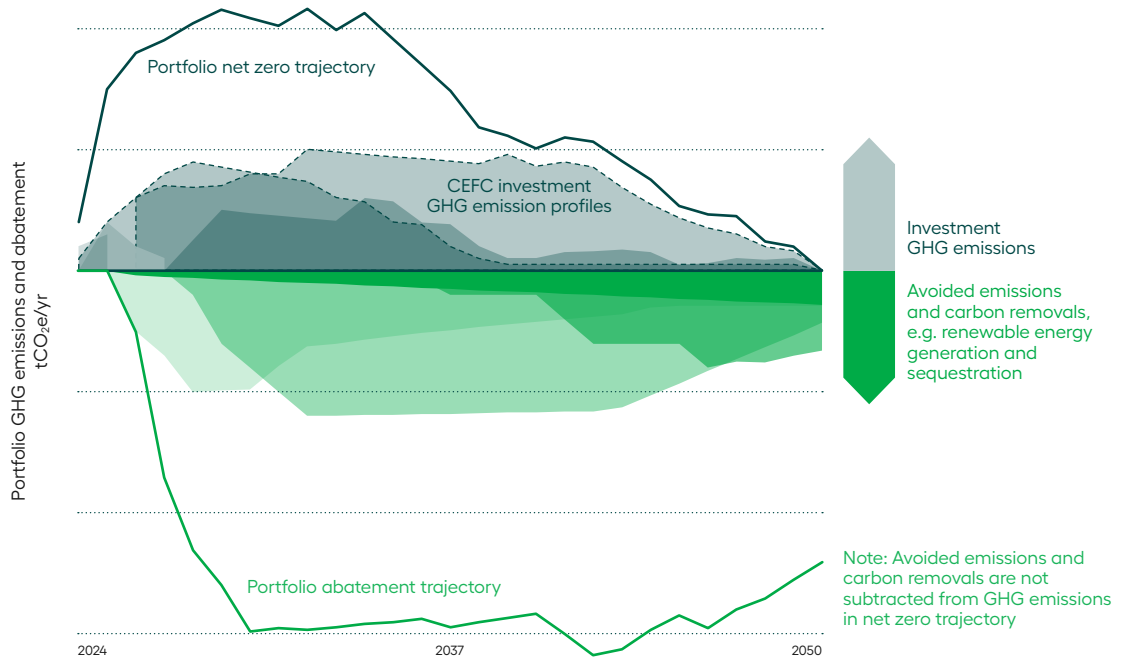
- Increase the size and scope of our investment portfolio
- Invest in the hard-to-abate sectors needed to support the transition to net zero, such as transport and agriculture
- Invest in emission intensive sectors that are indirectly supporting the net zero transition, such as critical minerals mining and processing.

While this may increase CEFC financed emissions in the short term, it will deliver longer-term benefits to Australia’s overall emissions reduction task.

It is a signal of our intent that we deploy our capital to tackle emissions reduction in the more challenging sectors, while continuing to align our portfolio to Australia’s net zero emissions target. Quantifying financed emissions provides a globally comparable metric across the finance sector.

Figure 56 illustrates the variations seen in GHG emission profiles across the CEFC portfolio. As CEFC invests in hard-to-abate and high emitting sectors we may see an increase in financed emissions, with different profiles depending on the nature of the activity. However, through these investments the CEFC will help facilitate emissions abatement from these sectors supporting a longer-term transition to a net zero economy by 2050.

Figure 56: Financed emissions: illustrative net zero trajectory



Note: Emission profiles shown are for illustrative purposes and do not represent specific investments.

## Financed emissions breakdown

In 2024–25 we have expanded our financed emissions disclosure to include the reporting of Scope 3 financed emissions related to our investment commitments.

Figure 57: Financed emissions summary

Financed emissions	2022–23	2023–24
	t CO <sub>2</sub> -e/ year	
Scope 1	87,098	77,348
Scope 2 <sup>1</sup>	58,136	52,582
Scope 3	Not disclosed	809,906
<b>Total (scope 1 + scope 2)</b>	<b>145,234</b>	<b>129,930</b>
Weighted data quality score (Scope 1 + 2)	3.04 out of 5	2.29 out of 5
Weighted data quality score (Scope 3) <sup>2</sup>	N/A	2.9 out of 5
% by commitment value	87%	95%
% by commitments by number <sup>3</sup>	86%	91%

1. Reporting of market-based and location-based Scope 2 emissions varies across counterparties. For simplicity, all Scope 2 emissions are counted as location-based Scope 2 emissions.

2. 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.

3. In line with the PCAF Standard, certain investments were excluded for the following reasons: a) no relevant PCAF Methodology, b) lack of data, or b) no deployment prior to 30 June 2024. Further information on data (including data quality score) and methodology is provided in the Basis of Preparation, which is available on request.

Note: Use of fair or market value has been used in calculating attribution for some CEFC equity investments. This methodology is not in line with PCAF, however presents the most accurate representation of the CEFC interest in the asset.

The sole CEFC wholly owned subsidiary (being CIPL) is integrated in the financed emissions figures listed above. Financed emissions for CIPL are expected to be disaggregated and reported separately in the 2025–2026 disclosure.

Commonwealth Climate Disclosure

Financed emissions and emissions removals

Emissions abatement (removed and avoided emissions) associated with the CEFC investment portfolio was estimated at approximately 5.19 Mt CO<sub>2</sub>-e\* in the 2023-24 year.

To provide an approximate correlation with the financed emissions in 2023-24, the same attribution approach (based on the proportion of finance provided by the CEFC), has been applied to the estimated emissions abatement of each investment. This results in attributed emissions abatement of approximately 1,253 kt CO<sub>2</sub>-e.

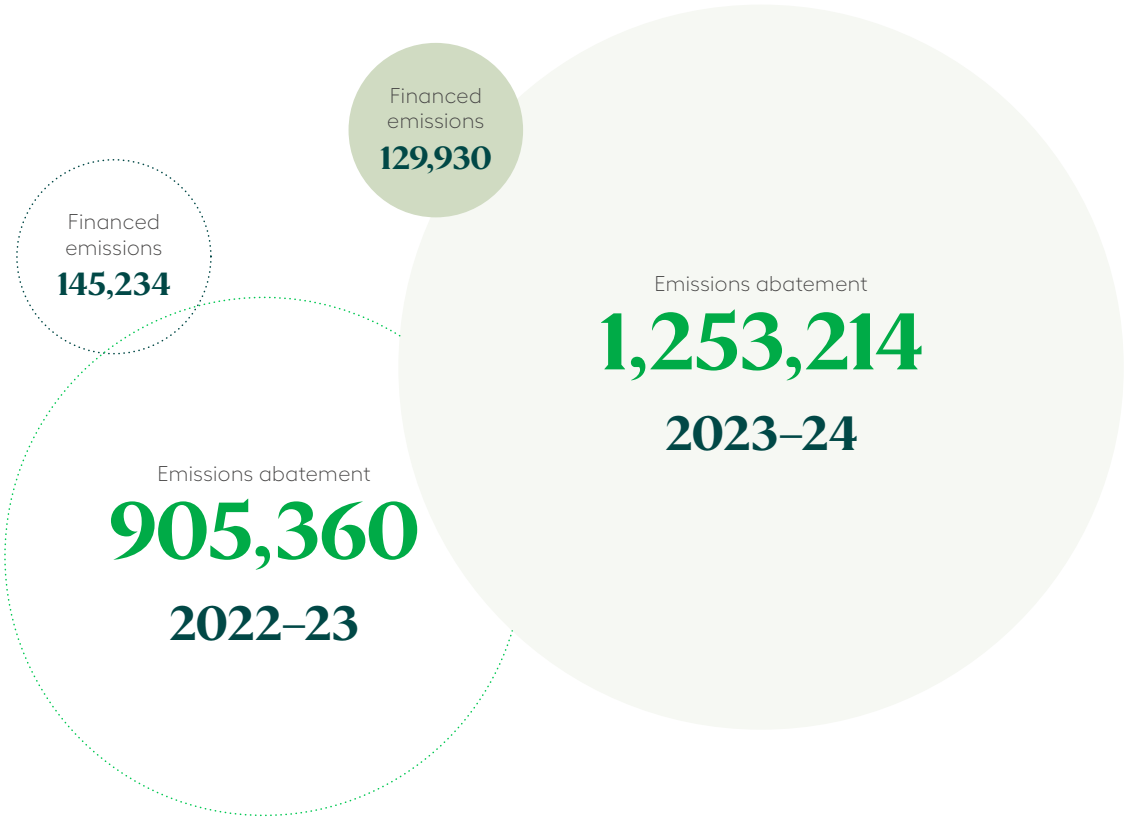
In the 2022-23 year, emissions abatement attributed to CEFC investments were approximately six times larger than the comparable financed emissions. In 2023-24, this ratio increased to approximately nine times. The emission abatement estimate reflects the abatement expected from the investments operational during in 2023-24. As such, this number does not include those investments in contracting, design, planning, construction or pre-commissioning phases during the period.

Figure 58: Financed emissions and emissions removals

Financed emissions vs abatement		2022-23	2023-24
		(t CO <sub>2</sub> -e/yr)	
CEFC investment portfolio	Financed emissions	145,234	129,930
	Abatement – avoided emissions and emission removals <sup>1,2</sup>	905,360	1,253,214

- 1. This figure is calculated by multiplying the estimated abatement of the total project or investment in the 2023-24 period by the PCAF attribution percentage for that investment.
- 2. Where an investment was excluded from the financed emissions calculation owing to PCAF methodology, a data gap, or project phase, it has also been excluded from the abatement estimates to allow more meaningful comparison.

Figure 59: Financed emissions and emissions removals (t CO<sub>2</sub>-e)



\* In accordance with the CEFC approach to estimating carbon abatement.

## Financed emissions by investment area

The CEFC assesses financed emissions across three broad areas of investment, reflecting our strategic priorities.

### Cleaner, greener energy

The *Cleaner, greener energy* area represented 40 per cent of investment commitments by value and 16 per cent of our financed emissions (Scope 1 and 2) in 2023–24. 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 increase, 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 build out 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 56 per cent of investment commitments by value and 82 per cent of financed emissions in 2023–24. This is the area where we see the greatest focus on leveraging our investment to decarbonise assets and sectors.

These include the industrial, infrastructure, property, natural capital and debt markets sectors. Within this category are investments in some of the harder-to-abate sectors, the agriculture, transport and property sectors, as well as loan programs to encourage household energy upgrades and the purchase of electric vehicles. Investments in this category are likely to result in significant, wide-reaching and long-term emission reductions throughout all levels of the economy.

### Technology development

Technology development represents a smaller component of our financed emissions, but the longer-term impact of the climate solutions that are being developed 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 climate solution products and services.

Figure 60: 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 2024	CEFC on-risk commitment
	t CO <sub>2</sub> -e			\$m
Cleaner, greener energy	20,230 (16%)	45,806 (6%)	36	\$ 3,553 (40%)
Energy efficiency and decarbonisation	107,049 (82%)	752,402 (93%)	97	\$ 4,925 (56%)
Technology development	2,652 (2%)	11,699 (1%)	38	\$ 366 (4%)
<b>Total</b>	<b>129,930</b>	<b>809,906</b>	<b>171</b>	<b>\$ 8,844</b>

Note: Totals may differ from sum of line items due to rounding

# ESG Report

## Policy development

**In 2024–25, the CEFC conducted its annual Environmental, Social, Governance (ESG) Policy review and as part of our commitment to continuous improvement of sustainability practices, the policy was refined. In 2024–25, the CEFC will be completing a new materiality assessment for the ESG policy in 2025–26.**

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## Investment commitments

We identify activities where we can positively target opportunities relating to ESG material factors in collaboration with our counterparties. The CEFC considers potential ESG opportunities for each new transaction to support ESG 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 were classified as either ‘firm’ or ‘aspirational’.

- **Firm commitment:** Positive ESG opportunities, that are included as obligations/undertakings in the transaction legal documentation or through public statements, or both, that the counterparty must 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 2024–25 we identified 31 opportunities, relating to 14 new investment commitments and two follow-on investments, with a mix of firm and aspirational targets (see Figure 61). There has been a continued effort to collate higher-quality ESG data to better validate identified opportunities and track their subsequent performance.

This was particularly evident when identifying market-first environmental initiatives, such as the CEFC investment with Rabobank that provides discounted financing for undertaking environmental planting projects under the ACCU Scheme. It was accompanied by an Environmental Plantings Explainer Guide to help highlight some of the key considerations, requirements and opportunities for farmers navigating these projects.

Investment opportunity highlights

Employment

The CEFC seeks to support the creation of, and/or safeguarding of existing jobs or training/reskilling opportunities through our investment commitments. Investment commitments in 2024–25 helped support projects with sponsors identifying up to 6,500 fixed-term jobs in the construction phase, with the potential for further growth through stretch targets integrated into our transactions.

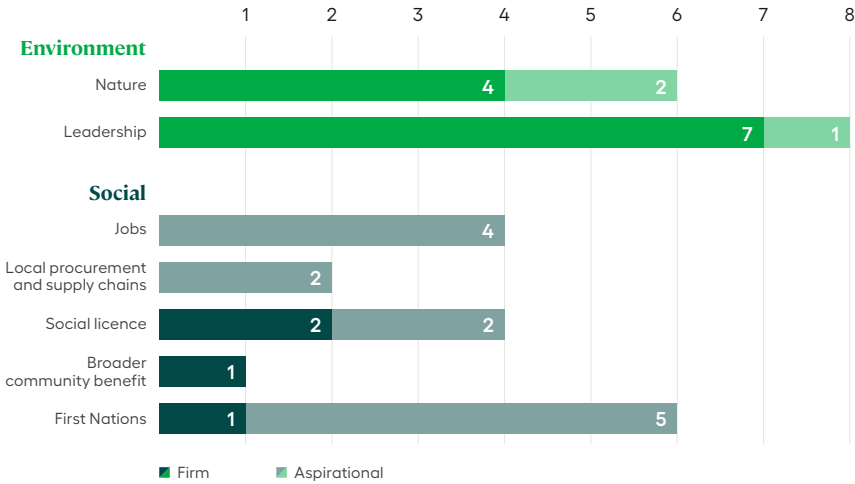
Social licence

The CEFC committed an additional \$100 million to Neoen to fund the construction of clean energy assets in its existing portfolio. Neoen has established a community benefit fund over the life of the projects to support local residents who live near renewable energy projects. This initiative ensures the positive impacts of the clean energy transition projects include contributions to surrounding communities. The fund supports a diverse range of community priorities including arts and culture, education and training, as well as disaster relief and emergency services.

Nature

CEFC has progressively committed up to \$75 million in a regenerative agricultural platform managed by Australian agriculture and natural capital asset manager, Gunn Agri Partners. The platform invests in low productivity and sub-scale Australian farmland, to transform operations to higher and better land use by adopting sustainable land transformation and farming practices. This includes reduced pesticide use, actively improving soil biology and condition, and preserving native ecosystems, while reducing the GHG emission intensity of agricultural operations. The platform also demonstrates a growth path for existing agriculture operations to integrate high-integrity environmental plantings carbon credits, as part of the existing higher and better use strategy.

Figure 61: Investment commitments in 2024–25: ESG opportunities



## ESG Report

### Risk management

The CEFC considers material ESG risks for all investments. ESG risks are assessed against relevant laws, policies, standards and public registers. The CEFC also undertakes reputational risk due diligence screening for proposed investments and relevant counterparties.

The CEFC made 43 new and follow-on investment commitments in the 2024–25 year. All were assessed for ESG risk, with ongoing monitoring in place.

### Risk assessment

The majority of the ESG risks for our 2024–25 investment commitments were rated as low. The most frequent ESG risk across the portfolio is modern slavery. Renewable energy and technology supply chains have an inherently higher risk of modern slavery, particularly due to concerns regarding forced and child labour. The following areas were identified as having greater potential for material risks, and warranting increased monitoring and reporting.

#### Modern slavery

In 2024–25, eight new investments were identified with an increased residual risk of modern slavery. Additional engagement, due diligence and contractual provisions were implemented for these investments on a case-by-case basis. Renewable energy supply chains pose an inherently higher risk of modern slavery, often based offshore where independent audit and verification can, at times, be difficult. Subcontracting, of labour, increases modern slavery risks and makes oversight more challenging in infrastructure, and building materials and property management supply chains pose an increased risk in the construction sector.

#### Labour practices

Our screening indicates that where investments include large-scale construction in remote locations, there is a higher risk of impacts on labour practices including employee health and safety. Five projects have a medium-risk rating, requiring increased monitoring. For example, following media reports of allegations of a safety breach at a construction worksite, it was recommended that ongoing reviews be conducted to address the allegations appropriately and to closely monitor any additional suggestions of breaches.

### Strengthened approach

The CEFC further refined its approach to assessing social licence and modern slavery in 2024–25.

### 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 not only technically and financially viable but also responsive to broader stakeholder interests and concerns.

To strengthen this approach, the CEFC has developed an internal framework based on best practice guidelines for conducting due diligence on social licence risks. This framework enables the CEFC to systematically evaluate potential community impacts, engagement strategies and reputational risks associated with its investments.

The CEFC will keep progressing its approach as practice evolves, to appropriately manage risk and foster community outcomes.

### Modern slavery

The CEFC Modern Slavery Statement details our approach to identifying, assessing and managing modern slavery risks in our investment commitments, supply chains and operations. As outlined in our 2023–24 Statement, we are committed to reviewing activity in our debt markets platform to assess suppliers added after the initial risk screening. This review began in 2024–25, firstly focusing on financiers involved in electric vehicle financing and their management of modern slavery risks. The Modern Slavery Statement is available on the [CEFC website](#).

The CEFC provided modern slavery awareness training to staff during the year, with participants from our investment, legal, administration and portfolio management teams in attendance, to continue building capacity and awareness within our organisation.

### 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 E and F.



Figure 62: ESG risks, 2024–25 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.

# EPBC Report

The CEFC reports its obligations under the Ecologically Sustainable Development and Environmental Performance (EPBC) Act annually. This report covers the period 1 July 2024 to 30 June 2025 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 63: 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.<sup>1</sup>**

***This overarching purpose is strongly aligned with the principles of ESD.***

The CEFC makes investment decisions based on long-term emission abatement outcomes as well as the economic, environmental and social impacts and risks of a project 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 technologies known to be harmful to humans, animals or the environment.

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, climate risk disclosure, leadership, nature, equity, diversity inclusion and labour practices, community, business conduct and ethics and (suitably skilled and independent) decision-making via our investment committees.

CEFC investment in projects involved in land clearing and/or development are required to have undertaken all relevant ecological studies, community consultation, complied with relevant laws, and obtained all required planning approvals prior to CEFC investment.

Potential investments are evaluated against industry standards and best practice and monitored throughout the investment lifecycle to ensure that CEFC investment continues to foster innovation, best practice and improved sustainability outcomes.

1. Section 3 of the CEFC Act.

Environmental performance

Along with the extensive climate reporting on operations under the CCD, the CEFC also reports environmental performance at a corporate and investment activity level with respect to energy efficiency, waste and water.

Figure 64: Environmental performance summary 2024–25

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	Potential investments are screened against the Material ESG factors defined in the CEFC ESG Policy.	NABERS <b>Waste</b> ratings <ul style="list-style-type: none"><li>– Sydney: 5.5 stars</li><li>– Brisbane: 3.5 stars</li><li>– Melbourne: 5 stars</li></ul>	Continue e-waste collections and staff engagement on waste minimisation and water efficiency in offices.	
	Broader sustainability impacts are also assessed.	– Perth: No rating	Ensure waste minimisation and water efficiency continues during site visits and off-site events.	
Water	As the CEFC has a specific mandate for GHG emission abatement, waste and water consumption is not routinely monitored on an annual basis at the investment or portfolio level.	NABERS <b>Water</b> ratings <ul style="list-style-type: none"><li>– Sydney: 5 stars</li><li>– Brisbane: 4.5 stars</li><li>– Melbourne: 5 stars</li><li>– Perth: 4 stars</li></ul>	Consider waste management and water efficiency as a criterion when booking off-site venues and new office locations.	

# Our reporting obligations as a government agency

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Appendix A

Index of Annual Reporting requirements

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 2024–25 reporting period, and where the information satisfying these requirements is to be found in this Annual Report.

Figure 65: Index of Annual Reporting requirements under the PGPA Rule

PGPA Rule reference	Annual Report page	Description	Requirement
<b>17BE</b>	<b>Contents of annual report</b>		
17BE(a)	48; 67; 95	Details of the legislation establishing the body	Mandatory
17BE(b)(i)	41; 67; 95	A summary of the objects and functions of the entity as set out in legislation	Mandatory
17BE(b)(ii)	40–41	The purposes of the entity as included in the entity’s corporate plan for the reporting period	Mandatory
17BE(c)	67; 120	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)	67	Directions given to the entity by the Minister under an Act or instrument during the reporting period	If applicable, mandatory
17BE(e)	68	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)	68	Particulars of non-compliance with:  (a) a direction given to the entity by the Minister under an Act or instrument during the reporting period; or  (b) 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)	40–45; 182	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)	68	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)	48–60	Information on the accountable authority, or each member of the accountable authority, of the entity during the reporting period	Mandatory
17BE(k)	62–63	Outline of the organisational structure of the entity (including any subsidiaries of the entity)	Mandatory
17BE(ka)	188	Statistics on the entity’s employees on an ongoing and non-ongoing basis, including the following:  (a) statistics on full-time employees; (b) statistics on part-time employees; (c) statistics on gender; (d) statistics on staff location	Mandatory

PGPA Rule reference	Annual Report page	Description	Requirement
17BE(l)	67	Outline of the location (whether or not in Australia) of major activities or facilities of the entity	Mandatory
17BE(m)	40; 49–61	Information relating to the main corporate governance practices used by the entity during the reporting period	Mandatory
17BE(n), 17BE(o)	120–121	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):  (a) 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  (b) 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
17BE(p)	4–7; 10–11; 49–55; 62; 74–147	Any significant activities and changes that affected the operation or structure of the entity during the reporting period	If applicable, mandatory
17BE(q)	69	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)	69	Particulars of any reports on the entity given by:  (a) the Auditor-General (other than a report under section 43 of the PGPA Act); or (b) a Parliamentary Committee; or (c) the Commonwealth Ombudsman; or (d) 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)	73	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

## Appendix A

PGPA Rule reference	Annual Report page	Description	Requirement
17BE(taa)	49–55	The following information about the audit committee for the entity: <ul style="list-style-type: none"> <li>(a) a direct electronic address of the charter determining the functions of the audit committee;</li> <li>(b) the name of each member of the audit committee;</li> <li>(c) the qualifications, knowledge, skills or experience of each member of the audit committee;</li> <li>(d) information about each member's attendance at meetings of the audit committee;</li> <li>(e) the remuneration of each member of the audit committee</li> </ul>	Mandatory
17BE(ta)	191–193	Information about executive remuneration	Mandatory
<b>17BF</b>	<b>Disclosure requirements for government business enterprises*</b>		
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: <ul style="list-style-type: none"> <li>(a) an outline of actions taken to fulfil those obligations; and</li> <li>(b) an assessment of the cost of fulfilling those obligations</li> </ul>	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.



Figure 66: Index of other Annual Reporting requirements

PGPA Act reference	Annual Report page	Description	Requirement
<b>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 2024–25 reporting period)</b>			
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	41	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	74–147	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	62; 191	Confirmation that a CEO performance evaluation has been carried out during the financial year	Recommended
RMG 127, Planning and Reporting	62; 191	Confirmation that a succession plan for senior executives is in place and maintained during the financial year	Recommended
RMG 136, Annual report content requirements	150–167; 198–203; 204–208	Pending amendment of the EPBC Act, Reporting against General Requirements and Core Requirements of the Commonwealth Climate Disclosure policy (including Australian Public Service Net Zero 2030)	Recommended, expected to become Mandatory on passage on enabling legislation

## Appendix A

PGPA Act reference	Annual Report page	Description	Requirement
<b>Index of requirements under the CEFC Act</b>			
CEFC Act, section 74(1)(a)	37	Total value of section 63 investments, by reference to the class of clean energy technologies	Mandatory
CEFC Act, section 74(1)(b)	183–185	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)	33; 131	Statement of the total value of concessions given by the Corporation	Mandatory
CEFC Act, section 74(1)(e)	90–147	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)	119; 191–193	Remuneration and allowances of Board members and senior staff	Mandatory
CEFC Act, section 74(1)(g)	74–147	Operating costs and expenses	Mandatory
CEFC Act, section 74(1)(h)	194–197	Benchmark report of operating costs and expenses of other comparable entities	Mandatory
CEFC Act, section 74(1)(i)	70–73	Procurement contracts of more than \$80,000	Mandatory
CEFC Act, section 74(1)(j)	118	Credits and debits to the CEFC Special Account	Mandatory
CEFC Act, section 74(2)	74–147	Reporting on each of the items referred to in sections 74(1)(d) to (i) of the CEFC Act for subsidiaries	Mandatory
<b>Index of requirements under the Investment Mandate Direction</b>			
Investment Mandate, section 18	13–45	Reporting on the non-financial outcomes of all CEFC investments, including those under each Sub-Fund	Mandatory
Investment Mandate, section 18	79	Reporting on the disaggregate value of concessions given for each of the General Portfolio and Sub-Funds	Mandatory
<b>Index of other reporting requirements</b>			
EEO Act, section 9	186–188	Equal Employment Opportunity Report	Mandatory
WHS Act, Schedule 2, Part 4, section 4	189–190	Work Health and Safety Report	Mandatory
EPBC Act, section 516A	172–173; 204–208	Environmental Performance and Ecologically Sustainable Development Report	Mandatory (see also RMG 136 above)

## Appendix B

### Statement of errata

The following are corrections to reporting errors made in the CEFC Annual Report 2023–2024:

- On page 67 in ‘Governance’ under ‘Board members’ the appointment date for David Jones AM was incorrectly recorded, ‘8 April 2022’. The correct date should be 7 April 2022.
- On page 67 in ‘Governance’ under ‘Board members’ the appointment date for Andrea Slattery was incorrectly recorded, ‘5 October 2022’. The correct date should be 1 February 2023.
- On page 206 in Appendix C Reporting of non-financial outcomes, at Figure 75: PATF Lifetime CEFC commitments – reported as \$109.6m; this was incorrect due to a typographical error and should have been \$106.9m.

The following are corrections to reporting errors made in the CEFC Annual Report 2022–2023:

- On page 80 in ‘Governance’ under ‘CEFC Board’ the appointment date for David Jones AM was incorrectly recorded, ‘8 April 2022’. The correct date should be 7 April 2022.
- On page 81 in ‘Governance’ under ‘CEFC Board’ the appointment date for Andrea Slattery was incorrectly recorded, ‘5 October 2022’. The correct date should be 1 February 2023.

Appendix C

Portfolio Budget Statements: CEFC indicators

In addition to the Board-approved performance indicators accounted for in the Performance Statement and Analysis in Section 1, the PBS included one additional indicator that is accounted for below and this should be read as forming part of the Annual Performance Statements.

**Performance measure: 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 set out in the Investment Mandate. At 30 June 2025, four of the six funds/portfolios were 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”.

**Performance measure: Effectiveness in working with project sponsors to progress financing for key Rewiring the Nation projects.**

This Item was refined as the organisation’s planning process was finalised and the effectiveness in working with project sponsors to progress financing was translated into the “delivering the RTN” measure included In the Corporate Plan. To this end, performance against this PBS measure is reflected in the performance evaluation for the delivering the RTN measure (refer Performance Statement and Analysis in Section 1).

## Appendix D

### Realised investments

The CEFC reports on new investment commitments each quarter and actively manages its investment portfolio. Changes in circumstances can often affect the final investment outcome. For example:

- Most investments are repaid or realised in the ordinary course of events, with some sold or repaid earlier than expected due to borrower refinancing decisions. See Figure 67
- Some investment commitments are never drawn, for example, because the borrower fails to meet conditions precedent, or the commitment is contractually cancelled. See Figure 68.

Figure 67: Investment commitments realised through repayment or disposal in 2024–25

Counterparty	Description	Year	CEFC \$	Explanation
Qualitas Build-to-Rent Impact Fund	Construction of affordable energy efficient residential accommodation.	2019–20	\$119.2m	Prepayment of facility
Walla Walla Solar Farm	Debt finance for the construction of a utility scale solar farm.	2022–23	\$88.3m deployed (of \$100m)	Facility repaid via a portfolio refinance by a lending syndicate including the CEFC
Salt Lake Potash	Debt finance for an energy efficient fertiliser production plant.	2020–21 2021–22	\$75.8m	Company placed into receivership; proceeds of \$24m were received and remaining investment written down to nil
Cromwell Diversified Property Trust	Corporate debt facility for conversion of an office park into sustainable aged care and retirement living dwellings.	2018–19	\$60.0m	Prepayment of facility
Hines	Debt finance for the construction of a hybrid cross-laminated timber office building.	2022–23	\$53.1m deployed (of \$69.3m)	Facility repaid
Bank of Queensland	Investment in bank bond to support energy efficient asset finance aggregation program.	2018–19	\$25m	Disposal of \$10m of bonds due to amortisation of underlying loans in the aggregation program, and maturity of remaining bonds
Capital Battery Energy Storage System	Debt finance for the construction of a utility scale battery.	2022–23	\$20.3m deployed (of \$35.5m)	Prepayment of facility
Circular Plastics Australia (PET)	Debt finance to a PET plastic recycling facility.	2020–21	\$16.5m	Prepayment of facility
Zen Ecosystems	Equity investment into commercialisation of smart building management technology, via the Clean Energy Innovation Fund.	2017–18 2018–19 2019–20 2020–21 2021–22	\$10.3m	Company placed into voluntary liquidation and investment written down to nil
Scipher Technologies	Convertible note investment in an e-waste recycling business.	2021–22	\$7.5m	Company placed into voluntary administration and investment written down to nil
Greensync	Equity investment in a distributed energy business, via the Clean Energy Innovation Fund	2016–17 2017–18 2019–20 2021–22	\$7.5m	Company placed into voluntary administration, proceeds of \$3.6m were received and remaining investment written down to nil

## Appendix D

Counterparty	Description	Year	CEFC \$	Explanation
Redback Technologies	Equity investment in the commercialisation of inverter technology	2017–18 2018–19	\$7.2m	Company placed into voluntary administration, proceeds of \$0.1m were received and remaining investment written down to nil
Leeton and Fivebough Solar Farms	Debt finance for a portfolio of utility-scale solar farms.	2019–20 2023–24	\$3.7m	Prepayment of facility

Note:  
Shows the lifetime CEFC commitment realised upon receipt of the final repayment or disposal being made in the current year.

**Figure 68: Investment commitments partially realised, contractually cancelled, allowed to expire or reduced in 2024–25**

Counterparty	Description	Year	Change	Explanation
Transgrid	Senior debt finance to fund the construction of new transmission infrastructure.	2024–25	\$338.2m	Partially cancelled upon successful crowding-in of third party capital, including a \$101.2m repayment
Transgrid Hybrids	Subordinated debt finance to fund the construction of new transmission infrastructure.	2024–25	\$250m	Partially cancelled upon successful crowding-in of third party capital
Commonwealth Bank of Australia	Debt finance for the construction of energy efficient residential properties under an aggregation program with a major residential property loan financier.	2022–23	\$125m	Cancelled by mutual agreement
Liontown	Liquidity debt facility to support the production of a key renewable supply chain input.	2023–24	\$110m	Cancelled; project proceeded without the need for CEFC finance
Infradebt Debt Investment Management Agreement	Investment in a debt fund financing smaller utility-scale renewable energy projects.	2019–20 2022–23	\$75m	Reduction of commitment upon extension of availability period
Australian Renewable Income Fund	Equity investment in a renewable asset fund.	2018–19 2022–23	\$75m	Partially cancelled upon expiry of investment period
Commonwealth Bank of Australia Energy Efficient Equipment Finance Program	Investment in bank bond to support energy efficient asset finance aggregation program.	2017–18	\$60m	Disposal of \$40m of bonds due to amortisation of underlying loans in the aggregation program, and maturity of \$20m of bonds
Charter Hall Prime Industrial Fund	Equity investment into an existing industrial warehouse fund targeting net-zero emissions.	2020–21	\$25m	Partial sale of unit holdings
Macquarie Pastoral Fund	Equity investment in a fund that will reduce on-farm methane emissions in the pastoral sector.	2022–23	\$25m	Partially cancelled upon expiry of availability period
Barwon Institutional Healthcare Property Fund	Equity investment into an institutional healthcare property fund.	2018–19	\$10.3m	Partial sale of unit holdings

Counterparty	Description	Year	Change	Explanation
Team Global Express	Debt finance to support the decarbonisation of the logistics industry through the acquisition of electric trucks and associated infrastructure.	2023–24	\$10m	Partially cancelled as remainder of facility no longer required
Kennedy Energy Park	Finance for an integrated wind, solar PV, and battery storage project.	2017–18	\$6.5m	Partially cancelled upon conversion to a term facility
Palisade Renewable Energy Fund	Equity investment into a renewable energy investment fund.	2016–17 2023–24	\$5.8m	Redemption; to be recycled into Intera Renewables
Bank Australia	Additional finance to a home loan provider offering green home loans to support the construction of energy efficient housing.	2020–21	\$5m	Disposal of bonds due to amortisation of underlying loans in the aggregation program
Octopus Investments – Fulham and Perry Bridge Solar Farms	Equity investment in the development of two utility-scale solar farms.	2020–21 2022–23 2023–24 2024–25	\$4.1m	Sale of Fulham Solar Farm and Battery to Octopus Australia Sustainable Investments Fund (OASIS)
Orica Finance Limited	Debt finance to an industrial chemical company to reduce nitrous oxide emissions.	2021–22	\$2.5m	Partially cancelled upon expiry of availability period
Siltrax	Equity investment in a hydrogen fuel cell component technology company.	2023–24	\$0.7m	Partially cancelled

## Notes:

Shows the portion of the original investment commitment realised, 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 CEFC.

## Appendix E

### 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 2024 to 30 June 2025 inclusive.

#### Approach to EEO

The CEFC seeks to reflect the diverse nature of the Australian community in our workforce. The organisation is committed to developing and supporting positive working relationships and a healthy and safe workplace where employees are recruited, trained and promoted fairly, on merit, without discrimination. CEFC policies and procedures are underpinned by Equal Employment Opportunity (EEO) principles, notably:

- 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 will undertake a program review to ensure its EEO program and related policies remain appropriate and relevant.

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.

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.

### Diversity, equity and inclusion strategy and working group

The CEFC has a Diversity, Equity and Inclusion (DEI) Working Group which 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, Ramadan, Easter, Lunar New Year, Harmony Week, International Women's Day, and IDAHOBIT Day.

#### First Nations Advisory Committee

We worked with our First Nations Advisory Committee and conducted several activities consistent with our Innovate Reconciliation Action Plan (B) in the 2024–25 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
- Expanding our recruitment process and internship strategy to better support avenues for wider exposure to First Nations candidates, employees and interns
- Launching our First Nations Procurement Strategy, supported by a tailored CEFC First Nations Supplier Directory to suppliers and services within our office locations
- Launching the CEFC Board and Board Committee Observer Program – a dedicated program to develop First Nations board leaders in respect of energy, climate and finance. We welcomed the first appointee under this program in February 2025.
- Joining the newly commenced Inter-Agency First Nations Initiatives group with other energy sector agencies and regulators, thus uniting our commitments to both furthering Reconciliation and the energy transition
- Expanding our engagement with Responsible Investment Association Australasia (RIAA) under its First Nations Peoples' Rights Working Group initiative, through involvement in subgroups
- Partnering with First Nations firms to deliver education, events, internal policy and procedural support as well as strategic guidance to our organisation.



## Policy development

During the reporting period the CEFC implemented policy enhancements to support diversity, equity and inclusion, including:

- Flexible working policy
- Working safely from home policy
- Workplace issue resolution procedure.

## Reporting and oversight

Annually, in March, a Gender Diversity Report is compiled for the Board 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 and proposed strategies.

In compliance with the *Workplace Gender Equality Act 2012*, the CEFC reports annually to the Workplace Gender Equality Agency (WGEA). The reports covers 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.

## 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 32 weeks).

During the reporting period, fifteen employees utilised CEFC paid parental leave. Of the employees who accessed paid parental leave, six were female, nine were male.

## Flexible working arrangements

The CEFC offers flexible working arrangements aligned with the *National Employment Standards*. Of the 175 employees at 30 June 2025, 6.2 per cent were employed on a part-time basis. The CEFC has nine 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 2025 analysis showed the average gender pay gap at the organisational level was 23.7 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 22.2 per cent) reported by the Workplace Gender Equality Agency for the 2023–24 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 2025 analysis, the average pay gap across 17 positions (where a gap could be calculated) was 5 per cent, compared with the previous 6.1 per cent gap in March 2024, 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.

## Diversity profile

At 30 June 2025, the CEFC had 175 employees, an increase of 23 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 42.82 years.

The CEFC continues to reflect a diverse cultural profile: 44 per cent of employees were born overseas, including 77 employees from 31 countries. The CEFC had 18 employees (10.3 per cent) who reported English as their second language at 30 June 2025.

At 30 June 2025, 42 per cent of the CEFC Board and 30 per cent of the CEFC Executive Team were women with 31 per cent of senior management positions held by women. Women were awarded 7 (44 per cent) of the 16 promotions in the 2024–25 year. Women also comprised 55 per cent of the 31 new recruits in the year. Overall, gender diversity was steady during the reporting year, sitting at 48.6 per cent men and 51.4 per cent women at 30 June 2025.

No employees identified as being of First Nations in the 2024–25 year. Separately, no employee identified as living with a disability requiring reasonable adjustments.

Appendix E

Figure 69: CEFC EEO reporting comparison

EEO designated group	30 June 2024		30 June 2025	
	Employees	%	Employees	%
Female	75	49.3	90	51.4
Born overseas	65	42.8	77	44
English as a second language	17	11.2	18	10.3

Figure 70: CEFC employee overview 2024–25

	Non-ongoing	Ongoing	Total
<b>Gender</b>			
Woman/female	4	86	90
Man/male	3	82	85
Non-binary	0	0	0
Prefers not to answer	0	0	0
Uses a different term	0	0	0
<b>Total</b>	<b>7</b>	<b>168</b>	<b>175</b>
<b>Employment status</b>			
Full-time	5	159	164
Part-time	2	9	11
<b>Total</b>	<b>7</b>	<b>168</b>	<b>175</b>
<b>Location</b>			
Brisbane	0	67	67
Canberra	0	1	1
Melbourne	1	17	18
Perth	0	5	5
Sydney	6	78	84
<b>Total</b>	<b>7</b>	<b>168</b>	<b>175</b>

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 2024–25 year.

## Appendix F

### 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 2024 to 30 June 2025 inclusive.

#### WHS compliance

The CEFC Board is responsible for CEFC compliance with duties under statute and at law relating to WHS. The Board framework for managing WHS compliance 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 2025, the CEFC had up to 12 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.

As of 30 June 2025, the CEFC had 14 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 a range of induction materials, available through the CEFC intranet. This includes links to CEFC policies, including the CEFC Code of Conduct and Ethics, and policies relating to WHS and workplace behaviour and conduct. Mandatory WHS induction training covers ergonomic workstation arrangements, the identification of workplace hazards, processes to report injuries and incidents, information about stress management, exercises and stretches, guidance on lifting heavy objects, and dealing with 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 safety and health of its employees, and acknowledges its responsibilities under the WHS Act and the National Employment Standards (NES). These cover standard hours of work, reasonable additional hours, flexible working arrangements, the provision of personal/carer's leave and compassionate leave.

The NES underpins the CEFC commitment to providing safe working hours and adopting a holistic view of employee health and wellbeing.

Regular reporting on hazard management is provided to the CEFC Executive Team and Board to ensure robust 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. Also, all people leaders receive targeted training focused on the proactive identification and management of psychosocial hazards within their teams, supporting 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) that provides counselling support for employees and coaching for managers. As of 30 June 2025, the CEFC had 12 accredited Mental Health First Aid Officers across our offices who support mental health awareness and offer early intervention support for employees.

A Healthy Workplace Campaign was coordinated over three months in late 2024 that included:

- Psychosocial hazard education for people leaders
- Mental health and wellbeing education
- Mental health and stress management resources and support tools
- Office social and charity related connection events
- Peer recognition program.

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.

The CEFC continues to implement established WHS controls in our offices, with process improvements made 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.

## Appendix F

The CEFC offers facilities and initiatives that maintain 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.

### 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 two notifiable incidents (such as deaths, serious injury or illness, or dangerous incidents) for the reporting period. Both incidents relate to the same employee who fainted at the workplace and required immediate hospital admission to assess their case on two separate occasions.

### 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 G

### 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 2024 to 30 June 2025 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 71. The CEFC does not have any Senior Executives other than KMPs.

The CEFC defines OHPS as CEFC employees whose total remuneration exceeded the \$260,000 threshold for the 2024–25 year. KMPs are not classified as OHPS.

### Approach to executive remuneration 2024–25

Remuneration for Board members is determined by the Remuneration Tribunal, pursuant to the *Remuneration Tribunal Act 1973*.

In 2024–25 and each year, the CEO's performance is evaluated by the People and Culture Committee, which recommends final decisions to the Board for approval. As described in Section 2 of this Annual Report, the People and Culture Committee implemented an Executive Talent Assessment Program to guide executive development and maintain executive and CEO succession plans and these were in place and maintained during 2024–25.

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 2024–25, 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 2024, the Superannuation Guarantee Levy increased from 11 per cent to 11.5 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 \$29,932 per year. This is consistent with the superannuation guarantee legislation. The incremental annual cost to the CEFC, based on 1 July 2024 headcount, is \$167,903.

### Senior executives 2024–25

The CEFC does not have any senior executives other than those already included within the KMP disclosures in Figure 71. As mentioned in Section 2, Mr Simon Every was appointed Chief Public Affairs Officer (effective 1 September 2024).

### Other Highly Paid Staff

OHPS are CEFC employees (excluding KMPs) whose total remuneration exceeds the \$260,000 threshold for the 2024–25 year.

Appendix G

Figure 71: KMP Remuneration 2024–25

Name	Position	Short-term benefits					Post-employment benefits			Other long-term benefits			Termination benefits	Total remuneration	
		Annual fees <sup>1</sup> (\$)	Base salary <sup>2</sup> (\$)	Performance based compensation <sup>3</sup> (\$)	Movement in leave provisions <sup>4</sup> (\$)	Other benefits and allowances <sup>5</sup> (\$)	Superannuation contributions (\$)	Performance based compensation (\$)	Long service leave (\$)	Other long-term benefits (\$)	Termination benefits (\$)				
Non-Executive Board Members															
Steven Skala AO	Chair	133,132	-	-	-	-	15,313	-	-	-	-	-	-	148,445	
Dr Guy Debelles <sup>5</sup>	Director	37,023	-	-	-	-	4,259	-	-	-	-	-	-	41,282	
Matt Howell <sup>6</sup>	Director	66,173	-	-	-	-	7,610	-	-	-	-	-	-	73,783	
David Jones AM	Director	66,180	-	-	-	-	7,612	-	-	-	-	-	-	73,792	
Andrea Slattery	Director	69,969	-	-	-	-	3,823	-	-	-	-	-	-	73,792	
Samantha Tough	Director	66,180	-	-	-	-	7,612	-	-	-	-	-	-	73,792	
Nicola Wakefield Evans AM	Director	66,180	-	-	-	-	7,612	-	-	-	-	-	-	73,792	
CEO and Senior Executive Team															
Ian Learmonth	Chief Executive Officer	-	638,641	290,333	4,869	-	29,932	145,167	16,089	-	-	-	-	1,125,031	
Simon Every <sup>7</sup>	Chief Public Affairs Officer	-	297,212	127,777	(3,250)	-	23,645	63,889	15,934	-	-	-	-	525,207	
Sara Leong	Chief Asset Management Officer	-	497,947	173,333	14,686	-	29,932	86,667	18,773	-	-	-	-	821,338	
Roger (Rory) Lonergan	Chief Investment Officer	-	478,746	200,000	(4,240)	-	29,932	100,000	14,011	-	-	-	-	818,449	
Paul McCartney	Chief Investment Officer	-	500,385	216,667	11,212	-	29,932	108,333	13,718	-	-	-	-	880,247	
Leanne McDonald	Chief People and Culture Officer	-	406,762	126,667	(20,032)	-	29,932	63,333	9,083	-	-	-	-	615,745	
Monique Miller	Chief Investment Officer	-	478,746	190,000	(1,405)	-	29,932	95,000	11,190	-	-	-	-	803,463	
Andrew Powell	Chief Financial Officer	-	469,295	156,667	8,286	-	29,932	78,333	13,848	-	-	-	-	756,361	
Saxon (Jay) Tolson	General Counsel and Company Secretary	-	414,522	146,667	2,636	-	29,932	73,333	11,593	-	-	-	-	678,683	
Craig Whalen	Chief Risk Officer	-	451,414	156,667	11,434	-	29,932	78,333	12,724	-	-	-	-	740,504	
Total		504,837	4,633,670	1,784,778	24,196	-	346,874	892,388	136,963	-	-	-	-	8,323,706	

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 Guy Debelles was appointed as a Director effective 8 December 2024.
6. Matt Howell was a Director until 30 June 2025.
7. Simon Every was appointed as Chief Public Affairs Officer effective 1 September 2024.

Figure 72: 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 <sup>1</sup> (\$)	Average performance based compensation (\$)	Average movement in leave provisions <sup>2</sup> (\$)	Average other benefits and allowances <sup>3</sup> (\$)	Average super-annuation contributions (\$)	Average performance-based compensation (\$)	Average long service leave (\$)	Average long-term benefits (\$)	Average other benefits (\$)	Average termination benefits (\$)	Average total remuneration (\$)			
\$260,000 to \$270,000	6	192,099	46,476	(2,518)	-	24,062	-	5,322	-	-	-	265,441	-	-	265,441
\$270,001 to \$295,000	7	196,498	54,046	504	-	25,169	-	4,721	-	-	-	280,938	-	-	280,938
\$295,001 to \$320,000	9	211,345	58,361	7,631	-	24,712	-	3,410	-	-	-	305,459	-	-	305,459
\$320,001 to \$345,000	7	234,929	60,969	5,983	-	27,650	-	6,323	-	-	-	335,854	-	-	335,854
\$345,001 to \$370,000	8	237,692	87,242	404	-	27,701	-	6,349	-	-	-	359,388	-	-	359,388
\$370,001 to \$395,000	8	251,706	97,985	3,620	-	28,373	-	427	-	-	-	382,111	-	-	382,111
\$395,001 to \$420,000	6	259,272	102,966	9,730	-	28,196	-	9,307	-	-	-	409,471	-	-	409,471
\$420,001 to \$445,000	6	275,300	88,885	11,446	-	28,002	17,856	8,240	-	-	-	429,729	-	-	429,729
\$445,001 to \$470,000	3	300,856	86,111	7,569	-	29,650	22,222	9,379	-	-	-	455,787	-	-	455,787
\$495,001 to \$520,000	7	322,228	101,905	6,439	-	29,929	42,381	3,146	-	-	-	506,028	-	-	506,028
\$520,001 to \$545,000	2	346,164	115,833	268	-	29,932	21,667	9,738	-	-	-	523,602	-	-	523,602
\$545,001 to \$570,000	1	367,778	145,000	(881)	-	29,932	-	10,093	-	-	-	551,922	-	-	551,922
\$570,001 to \$595,000	3	382,988	107,777	(2)	-	29,932	53,889	9,706	-	-	-	584,290	-	-	584,290
\$595,001 to \$620,000	1	410,913	113,333	(9,654)	-	29,932	56,667	15,121	-	-	-	616,312	-	-	616,312
\$620,001 to \$645,000	1	422,021	123,333	(14,648)	-	29,932	61,667	10,577	-	-	-	632,882	-	-	632,882
\$645,001 to \$670,000	2	409,147	136,666	10,311	-	29,932	68,333	10,537	-	-	-	664,926	-	-	664,926

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 H

### 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 2024 to 30 June 2025 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 2025, the CEFC had 175 employees located in Sydney (headquarters), Brisbane, Canberra, Melbourne and Perth. At 30 June 2025, the CEFC had access to up to \$33.15 billion through drawing rights against the CEFC Special Account maintained by DCCEEV.

#### Comparator entities

The comparator entities include five Australian Government-owned entities that also have a public purpose and a commercial mode of operation, together with an offshore green bank:

- Future Fund Management Agency
- Export Finance Australia\*
- Northern Australia Infrastructure Fund (NAIF)\*
- Housing Australia\*
- National Reconstruction Fund Corporation (NRFC)\*
- New York Green Bank.

*\* 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 2024. This Appendix has been prepared using a consistent approach to previous years.*

#### Note on comparisons

For the purposes of this comparison, the CEFC draws on the OECD definition of green banks, namely that they are a public, quasi-public or non-profit entity established specifically to facilitate private investment into domestic low carbon, climate resilient infrastructure. Direct comparisons of the CEFC with other entities are constrained by the following factors:

- There are very 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 CEFC is at least double the size of the next largest green bank at 30 June 2025
- 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 31 March 2025, showed total funds under management of \$307.6 billion across seven funds with the main Future Fund of \$240.8 billion invested in:

- Australian equities: 10.9 per cent
- Global equities: 32.8 per cent
- Private equity: 13.8 per cent
- Property: 4.8 per cent
- Infrastructure and Timberland: 10.2 per cent
- Credit: 9.3 per cent
- Alternatives: 15.0 per cent
- Cash: 3.1 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 361 transactions valued at \$1.5 billion completed in 2023–24, with exposures of some \$5.5 billion (Commercial Account \$1.8 billion, National Interest Account \$3.7 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.

➤ Refer to [exportfinance.gov.au](https://exportfinance.gov.au) for more details.



## 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 accelerate infrastructure development and thereby drive transformational growth in northern Australia by innovative financing that:

1. Generates public benefit including that outside of what is captured by the project proponent
2. Encourages longer term growth in the economy and population of northern Australia
3. Encourages private sector participation in the financing of northern Australia's infrastructure needs
4. Facilitates sustainable Indigenous participation, procurement and employment outcomes.

➤ [Refer to naif.gov.au](https://naif.gov.au) for more details.

## Housing Australia

Housing Australia, formerly named the National Housing Finance and Investment Corporation, 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.

The Housing Australia strategic objectives are to:

1. Facilitate the sustainable growth of the community housing sector across Australia
2. Facilitate investment to increase the supply of social and affordable housing
3. Strengthen stakeholder relationships that support better housing outcomes
4. Deliver high-performance organisation practices and outcomes
5. Establish a best-practice governance regime.

➤ [Refer to housingaustralia.gov.au](https://housingaustralia.gov.au) for more details.

## National Reconstruction Fund Corporation

The NRFC was established as a corporate Commonwealth entity on 18 September 2023 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.

➤ [Refer to nrfc.gov.au](https://nrfc.gov.au) for more details.

## New York Green Bank

The New York Green Bank (NYGB), a Division of the New York State Energy Research and Development Authority, is a state-sponsored specialised financial entity whose mission is to accelerate clean energy deployment in New York State by working in collaboration with the private sector to transform financing markets. The US\$1.0 billion entity works with the private sector to alleviate financing gaps in New York's clean energy markets. NYGB is a key component of the Clean Energy Fund, US\$7.6 billion commitment by New York State to advance clean energy market growth.

NYGB works with project sponsors and financial institutions to deploy proven technologies and projects in renewable energy and energy efficiency. These are technologies and applications in projects that are in demand by clients and their respective customers, are economically viable, and can support a commercial cost of debt, but for which debt capital is not readily provided by the markets due to existing barriers.

➤ [Refer to greenbank.ny.gov](https://greenbank.ny.gov) for more details.

## Appendix H

Figure 73: Operating costs and expenses benchmark: comparison with Annual Reports<sup>(a)</sup>

	CEFC 2024–25		Future Fund 2023–24 <sup>(b)</sup>		Export Finance 2023–24 <sup>(b)</sup>		NAIF 2023–24 <sup>(c)</sup>		Housing Australia 2023–24 <sup>(c)</sup>		NRFC 2023–24 <sup>(c)</sup>		New York Green Bank 2024–25 <sup>(f)</sup>	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%
<b>Employee benefit expenses</b>														
Wages and salaries	47,433	61	79,433	15	32,432	48	8,760	55	22,155	35	4,109	39	18,286	69
Superannuation	3,573	5	6,073	1	3,538	5	956	6	2,577	4	564	5	–	–
Leave and other entitlements	1,105	1	3,693	1	1,900	3	697	4	1,334	2	518	5	–	–
Other expenses	9	0	–	–	1,900	3	–	–	5	0	34	0	–	–
<b>Total</b>	<b>52,120</b>	<b>67</b>	<b>89,199</b>	<b>17</b>	<b>39,770</b>	<b>59</b>	<b>10,413</b>	<b>66</b>	<b>26,071</b>	<b>41</b>	<b>5,224</b>	<b>50</b>	<b>18,286</b>	<b>69</b>
<b>Board remuneration<sup>(d)</sup></b>														
Wages and salaries	563	1	812	0	568	1	543	3	569	1	503	5	–	–
Superannuation	60	0	115	0	62	0	60	0	63	0	49	0	–	–
<b>Total</b>	<b>623</b>	<b>1</b>	<b>927</b>	<b>0</b>	<b>630</b>	<b>1</b>	<b>603</b>	<b>4</b>	<b>632</b>	<b>1</b>	<b>553</b>	<b>5</b>	<b>–</b>	<b>–</b>
<b>Total employee and Board remuneration and benefits</b>	<b>52,743</b>	<b>68</b>	<b>90,126</b>	<b>17</b>	<b>40,400</b>	<b>60</b>	<b>11,016</b>	<b>69</b>	<b>26,703</b>	<b>42</b>	<b>5,777</b>	<b>55</b>	<b>18,286</b>	<b>69</b>
<b>Other operating expenses</b>														
Professional fees and expenses	5,613	7	213,307	40	13,148	19	1,793	11	18,390	29	2,444	23	–	–
Other investment portfolio expenses	8,156	10	60,731	12	1,100	2	–	–	7,736	12	–	–	1,490	6
Travel and incidentals	1,686	2	–	–	–	–	631	4	318	1	201	2	–	–
Office facility costs	899	1	–	–	2,300	3	357	2	–	–	307	3	–	–
Insurance	322	0	–	–	900	1	58	0	588	1	–	–	–	–
Marketing and communications	851	1	–	–	1,000	1	87	1	146	0	–	–	–	–
Depreciation and amortisation	3,948	5	8,677	2	3,400	5	581	4	355	1	14	0	760	3
Auditors' remuneration	237	0	239	0	252	0	55	0	85	0	95	1	–	–
Administrative, IT and other expenses	3,607	5	154,066	29	5,300	8	1,308	8	8,703	14	1,627	16	6,004	23
<b>Total operating expenses (before interest, impairment and concession)</b>	<b>78,062</b>	<b>100</b>	<b>527,146</b>	<b>100</b>	<b>67,800</b>	<b>100</b>	<b>15,886</b>	<b>100</b>	<b>63,024</b>	<b>100</b>	<b>10,465</b>	<b>100</b>	<b>26,540</b>	<b>100</b>
<b>Other expenses</b>														
Interest expense	211		–		–		9		67,410		2		37	
Provision for impairment	64,218		–		5,100		–		325		–		51,688	
Concessional loan discount <sup>(e)</sup>	141,038		–		–		–		46,671		–		–	
<b>Total expenses</b>	<b>283,529</b>		<b>527,146</b>		<b>72,900</b>		<b>15,895</b>		<b>177,430</b>		<b>10,467</b>		<b>78,264</b>	

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 2023–24 Annual Report, the latest available at the time of preparing this report.

d) Costs are shown gross before national interest account allocation.

e) Board and employee remuneration are indistinguishable in some entity reports.

f) Translated from USD at an exchange rate of 0.652.

## Green bank benchmarking

There are significant differences in the mandates and operations of green banks across the world, which include capital availability, mandate focus areas and geographic operational constraints. There may also be differences in the underlying methodologies for calculating items such as emission reductions. As such, a direct comparison between green bank institutions is not possible. However, we have endeavoured to provide a comparison: Refer to Figure 74.

Figure 74: Green bank benchmark 2024–25

	CEFC	NY Green Bank
	To 30 June 2025	To 31 March 2025 <sup>(a)</sup>
Commencement year	2013	2013
Capital available to invest (public capitalisation)	A\$33.2b	US\$1b
Capital committed since commencement	A\$18.3b	US\$2.5b
Total transaction values	A\$85.3b	US\$9.7b
Financial leverage per \$1.00 invested	A\$3.55	US\$2.88
Estimated lifetime emission reductions (Mt CO <sub>2</sub> -e)	168 Mt	48.9 Mt
Capital committed per tonne of estimated lifetime emission reductions	A\$109	US\$51

Notes:

(a) From NY Green Bank Metrics, Reporting & Evaluation Quarterly Report No. 43.

## Appendix I

### Commonwealth Climate Disclosures – Year 1 Requirements

#### Climate governance index

Criteria	Requirement summary	Location
G1(a)	The accountable authority responsible for oversight of climate-related risks and opportunities.	Page 150: Commonwealth Climate Disclosure, Corporate responsibility, accountability and reporting.
G1(a)i	How the accountable authority's responsibilities for climate risks are reflected in terms of reference, mandates, or policies.	Page 150: Commonwealth Climate Disclosure, Structure and accountability.
G1(a)ii	How the accountable authority ensures skills to oversee climate strategies are available or developed.	Page 152: Commonwealth Climate Disclosure, Skills and capabilities.
G1(a)iii	How and how often the accountable authority is informed about climate risks and opportunities.	<p><i>CEFC climate-related risk and opportunity procedure</i>, Climate-related risk and opportunities governance structure, page 3. Available on the <a href="#">CEFC website</a>.</p> <p><i>CEFC climate-related risk and opportunity procedure</i>, Appendix A roles and responsibility definitions, Page 10. Available on the <a href="#">CEFC website</a>.</p> <p>Page 150: Commonwealth Climate Disclosure, Structure and accountability.</p>
G1(a)iv	How the accountable authority considers climate risks in strategy, risk management, and major transaction decisions.	<p>Page 150: Commonwealth Climate Disclosure, Structure and accountability,</p> <p>Page 161: Climate Risk Management at the CEFC.</p>
G1(a)v	How the accountable authority sets and monitors climate-related targets.	<p>The CEFC Corporate Plan describes the Board's role in setting and monitoring of objectives including climate-related targets.</p> <p>Pages 150 and 151: Commonwealth Climate Disclosure, Structure and accountability and Figure 37.</p>
G1(a)vi	How the accountable authority deputises risk oversight to a specific management level position or management level committee.	<p>The roles, responsibilities and membership of the Audit and Risk Committee are detailed in its Charter on the <a href="#">CEFC website</a>.</p> <p>Climate risk management roles and responsibilities are set out in the <i>Climate-related risk and opportunity procedure</i>, Appendix A, Roles and responsibilities. Available on the <a href="#">CEFC website</a>.</p> <p>Pages 150 and 151: Commonwealth Climate Disclosure, Structure and accountability and Figure 37.</p>
G1(b)	How management oversees governance processes, controls, and procedures for climate-related risks and opportunities.	Pages 150 and 151: Commonwealth Climate Disclosure, Structure and accountability and Figure 37.
G2(a)	Entity consideration of The Australian Government's Approach to Climate Risk and Opportunity Management in the Public Sector 2024–2026.	<p>Page 150: Commonwealth Climate Disclosure, Embedding climate risk oversight in governance policies.</p> <p><i>CEFC climate-related risk and opportunity procedure</i>, Appendix B: CEFC alignment with CROMP, illustrates where the CEFC enterprise Risk Management Framework aligns with the CROMP. Available on the <a href="#">CEFC website</a>.</p>
G2(b)	Consideration of the Net Zero in Government Operations Strategy and Commonwealth Risk Management Policy.	Page 162: Commonwealth Climate Disclosure, Corporate performance metrics and targets.

### Climate strategy index

Criteria	Requirement summary	Location
S1(a)–S1(b)	Disclosure of information of risks and opportunities and their effects.	Pages 152 to 167: Commonwealth Climate Disclosure
S2(a)	Identify the entity's material organisation climate-related risks and opportunities.	Page 153: Commonwealth Climate Disclosure, Climate-related risk assessment.
S2(b)	Categorise each of the material risks and opportunities identified above as 'physical' or 'transition' risks.	Page 154: Commonwealth Climate Disclosure, Climate scenario analysis. CEFC Climate-related risk and opportunity procedure, Corporate and Investment, pages 4 to 9.
S2(c)	Identify the horizon (short, medium or long-term) for which the effects of these risks and opportunities would be expected to occur.	Page 156: Commonwealth Climate Disclosure, Scenario timeframes.
S2(d)	Define short, medium and long-term and disclose the reason these definitions were selected.	Page 156: 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 <i>CEFC climate-related risk and opportunity procedure</i> , available on the <a href="#">CEFC website</a> . Page 150: Commonwealth Climate Disclosure, Structure and accountability.
S4(a)	Description of current and anticipated effects of the risks and opportunities on the entity's operational model.	Page 153: Commonwealth Climate Disclosure, Climate-related risks assessment. Page 154: Commonwealth Climate Disclosure, Climate scenario analysis.

## Appendix I

### Climate risk management index

Criteria	Requirement summary	Location
R1(a)	Processes and related policies.	Page 161: Commonwealth Climate Disclosure, Climate Risk Management at the CEFC.
R1(a)i	The inputs and parameters used, including uncertainties.	<i>CEFC climate-related risk and opportunity procedure – Investment</i> , page 7, and <i>CEFC climate scenario analysis basis of preparation</i> , risk drivers input and parameters for transition and physical risk, pages 4 and 6. Available on the <a href="#">CEFC website</a> .
R1(a)ii	How the nature, likelihood and magnitude of climate-related risk are assessed.	Page 161: Commonwealth Climate Disclosure, Climate Risk Management at the CEFC.  <i>CEFC climate-related risk and opportunity procedure – Climate Risk Evaluation</i> , page 9. Available on the <a href="#">CEFC website</a> .
R1(a)iii	How climate-related risks are prioritised in relation to other types of risk.	All risks to our organisation, including climate-related risks, are prioritised based on their residual risk rating against the <i>CEFC Board Risk Appetite Statement</i> , available on the CEFC website.  The effects of our identified climate-related risks were assessed using the likelihood, consequence and severity criteria from the existing <i>CEFC Risk Management Framework</i> , available on the <a href="#">CEFC website</a> .
R1(a)iv	How the entity manages climate-related risks.	Page 161: Commonwealth Climate Disclosure, Climate Risk Management at the CEFC.  Pages 64 to 65: Section 2, Governance, Risk Management.  <i>CEFC climate-related risk and opportunity procedure – Corporate</i> , page 4. Available on the <a href="#">CEFC website</a> .
R1(a)v	How the entity monitors climate-related risks.	<i>CEFC climate-related risk and opportunity procedure</i> , page 150. Available on the <a href="#">CEFC website</a> .
R1(a)vi	If (and if so, how) the entity has changed its processes related to climate-related risks.	Page 150: Commonwealth Climate Disclosure, Structure and accountability.  Page 154: Commonwealth Climate Disclosure, Climate scenario analysis.  Climate opportunities is an integral part of the CEFC purpose. Climate risk processes incorporate climate-related risk disclosure and management as set out in the <i>CEFC Risk Management Framework</i> and <i>CEFC climate-related risk and opportunity procedure</i> , available on the <a href="#">CEFC website</a> .
R1(b)	The process used to identify, assess, prioritise, manage and monitor climate-related opportunities.	Pages 161 and 162: Commonwealth Climate Disclosure, Investment risk approach and corporate risk approach  <i>CEFC climate-related risk and opportunity procedure</i> , page 7.
R1(c)	How the processes for identifying climate-related risks and opportunities inform the entity's overall risk management process.	<i>CEFC climate-related risk and opportunity procedure – Corporate</i> , page 4.
R2(a)	Whether (and how) the entity implements CROMP processes.	<i>CEFC climate-related risk and opportunity procedure</i> , Appendix B, and Alignment with CROMP, page 12. Available on the <a href="#">CEFC website</a> .

### Climate metrics and targets index

Criteria	Requirement summary	Location
M0	Objective: enable annual report users to understand an entity's performance in relation to its climate-related risks and opportunities, including progress towards any climate-related targets it has set, and any targets it is required to meet by law, regulation or policy. This includes the targets such as the APS Net Zero by 2030 target.	Page 162, Commonwealth Climate Disclosure, Metrics and targets
M1(a)	Information relevant to the cross-industry metric categories, if applicable (see paragraph M2).	Page 161, Commonwealth Climate Disclosure, Risk Management.
M1(b), M3(a), M3(b)	Information on greenhouse gases in accordance with M3.  Greenhouse gas emissions generated in tonnes CO <sub>2</sub> -e.  Greenhouse gas emissions approach, inputs, assumptions and methodologies.	Page 162, Commonwealth Climate Disclosure, Progress against net zero targets.  Appendix J, page 204: Corporate GHG emission sources.  Further information is provided on the <a href="#">APS Net Zero 2030 Target Factsheet</a> .
M1(c)	Information on targets and progress towards targets in accordance with M5-9.	Page 162, Commonwealth Climate Disclosure, Progress against net zero targets.  Further information is provided on the <a href="#">APS Net Zero 2030 Target Factsheet</a> .
M2* (optional disclosure)	An entity shall consider the applicability of disclosing information relevant to the cross-industry metric categories of: <ul style="list-style-type: none"> <li>– Climate-related transition risks—the amount and percentage of assets or operational and service activities vulnerable to climate-related transition risks;</li> <li>– Climate-related physical risks—the amount and percentage of assets or operational and service activities vulnerable to climate-related physical risks;</li> <li>– Climate-related opportunities—the amount and percentage of assets or operational and service activities aligned with climate-related opportunities; and</li> <li>– Capital deployment—the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.</li> </ul>	Page 154, Commonwealth Climate Disclosure, Climate scenario analysis.
M2(e)* (Optional disclosure)	<ul style="list-style-type: none"> <li>– An explanation of whether and how the entity is applying a carbon price in decision making; and</li> <li>– The price for each metric tonne of greenhouse gas emissions the entity uses to assess the costs of its greenhouse gas emissions.</li> </ul>	The CEFC does not utilise a generic internal carbon price in decision making. However, where relevant, internal forecasts for ACCU, RECs and other carbon price related revenue is factored into investment decisions. Estimated avoided emissions is also taken into consideration for each investment at the investment screening phase.

## Appendix I

### Climate metrics and targets index

Criteria	Requirement summary	Location
M3(e)	Scope 2 and 3 greenhouse gas emissions using location-based and market-based for electricity-related greenhouse gas emissions.	Appendix J, pages 204 and 206: Corporate and financed emissions and corporate GHG emissions – electricity.
M3(f) i	Confirmation of the Scope 3 emissions categories included.	Note: The CEFC voluntarily reports its financed emissions (Scope 3, Category 15).
M3(f) ii* (optional disclosure)	Additional information about the entity's greenhouse gas emissions associated with its investments (financed emissions), where an entity is listed as an investment entity.	Page 164: Commonwealth Climate Disclosure, Financed emissions.  Appendix J, pages 204 and 207: Corporate and financed emissions and financed emissions – asset classes and data completeness.
M4 (optional disclosure)	In preparing disclosures to meet the requirements in paragraph M3(f)(ii), the investment entity shall disclose: <ul style="list-style-type: none"> <li>(a) Its gross financed emissions, disaggregated by Scope 1, Scope 2 and Scope 3 greenhouse gas emissions;</li> <li>(b) The percentage of the entity's total assets under management or gross exposure included in the financed emissions calculation, and an explanation of any Exclusions; and</li> <li>(c) The methodology the entity used to calculate its financed emissions, including the method of allocation the entity used to attribute its share of emissions in relation to the size of its gross exposure, or total assets under management.</li> </ul>	
M5	Quantitative and qualitative climate-related targets it has set to monitor progress towards these targets.	Section 1, Performance: Corporate performance.  Page 162: Commonwealth Climate Disclosure, Corporate performance and outlook.  Further information is provided on the <a href="#">APS Net Zero 2030 Target Factsheet</a> .  Page 172: CEFC ecologically sustainable development and environmental performance (EPBC Act) report.



### Climate metrics and targets index

Criteria	Requirement summary	Location
M6	Information about its approach to setting and reviewing each target identified in M5.	Page 162: Commonwealth Climate Disclosure, Corporate performance and outlook.
M8	Scope of target including greenhouse gases included, scope of emissions sources included.	Appendix J, page 204: APS Net Zero Corporate GHG Emissions Reporting; Corporate and Financed Emissions at Corporate GHG emissions sources.
M9	<p>In preparing disclosures to meet the requirements in paragraphs M5–8, an entity that has adopted the APS Net Zero by 2030 target, either on a voluntary or mandatory basis, shall:</p> <ul style="list-style-type: none"> <li>– Disclose information on the APS Net Zero by 2030 target (set out in the Net Zero in Government Operations Strategy), as well as any other obligatory or voluntary targets set out in the entity's Emissions Reduction Plan.</li> </ul>	<p>Page 163: Commonwealth Climate Disclosure, Reducing our corporate emissions.</p> <p>Appendix J, page 204: APS Net Zero Corporate GHG Emissions Reporting; Corporate and Financed Emissions at Corporate GHG emissions sources.</p>

\* DRAFT CCD disclosure requirement. Not mandatory in 2024–25. The CEFC is making a voluntary disclosure.

Appendix J

APS Net Zero Corporate GHG Emissions Reporting; Corporate and Financed Emissions

The CEFC corporate emissions in 2024–25 totalled 419 t CO<sub>2</sub>-e. As the CEFC Scope 1 and 2 emissions were zero in 2024–25, the total of the 419 t CO<sub>2</sub>-e were Scope 3 emissions, with the majority relating to business travel and accommodation. The table below sets out corporate emissions under both the market-based and location-based approaches. For definitions of these approaches see Corporate GHG Emissions Reporting on page 206 of this Annual Report.

Figure 75: CEFC corporate emissions reported using the Climate Action in Government Operations emissions reporting methodology

	2024–25 GHG Emissions (t CO <sub>2</sub> -e/yr)
<b>Market-based approach</b>	
Scope 1	0
Scope 2	0
Scope 3 <sup>1</sup>	318
<b>Total</b>	<b>318</b>
<b>Location-based approach</b>	
Scope 1	0
Scope 2	92
Scope 3 <sup>1</sup>	327
<b>Total</b>	<b>419</b>

1. Includes solid waste and domestic business travel as required by the Climate Action in Government Operations emissions reporting methodology.

Corporate GHG emission sources

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 Greenhouse Gas Emissions inventory below presents greenhouse gas emissions over the 2024–25 period. The following greenhouse gases are included in the APS Net Zero Emissions Reporting Framework: carbon dioxide (CO<sub>2</sub>); methane (CH<sub>4</sub>); nitrous oxide (N<sub>2</sub>O); hydrofluorocarbons (HFCs); perfluorocarbons (PFCs); sulphur hexafluoride (SF<sub>6</sub>); and nitrogen trifluoride (N<sub>3</sub>).

Figure 76: 2024–25 Greenhouse Gas Emissions inventory – location-based method

Emission source	Scope 1 t CO <sub>2</sub> -e	Scope 2 t CO <sub>2</sub> -e	Scope 3 t CO <sub>2</sub> -e	Total t CO <sub>2</sub> -e
Electricity (location-based approach) <sup>1</sup>	N/A	92	9	102
Natural gas	0	N/A	–	0
Solid waste <sup>2</sup>	0	N/A	15	15
Refrigerants	0	N/A	N/A	0
Fleet and other vehicles	0	N/A	0	0
Domestic commercial flights	N/A	N/A	269	269
Domestic hire car <sup>3</sup>	N/A	N/A	–	–
Domestic travel accommodation	N/A	N/A	34	34
Other energy	–	N/A	–	–
<b>Total t CO<sub>2</sub>-e</b>	<b>0</b>	<b>92</b>	<b>327</b>	<b>419</b>

1. Emissions related to electricity usage pursuant to the location-based accounting method.  
2. Not all waste data was available at the time of the report and amendments to data may be required in future reports. The quality of data is expected to improve over time as emissions reporting matures.  
3. Emissions from hire cars for 2024–25 has been sourced from third party providers and may be incomplete. The quality of data is expected to improve over time as emissions reporting matures.

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.

**Figure 77: 2024–25 Greenhouse Gas Emissions inventory – additional emissions sources not included in APS Net Zero boundary**

Emission source		t CO <sub>2</sub> -e	%	APS Net Zero emissions reporting	Notes
Scope 1	Direct emissions	0	0	Included	GHG Protocol, Scope 1
Scope 2	Purchased electricity	92 <sup>1</sup>	0.07	Included	GHG Protocol, Scope 2
Scope 3	Purchased goods and services	1,324	1.00	Excluded	GHG Protocol, Scope 3, Category 1
	Capital goods	0	0	Excluded	GHG Protocol, Scope 3, Category 2
	Energy and fuel	9	0.01	Excluded	GHG Protocol, Scope 3, Category 3 Transmission, distribution and losses
	Upstream transport and distribution	1	0.00	Excluded	GHG Protocol, Scope 3, Category 4
	Waste	15	0.01	Included	GHG Protocol, Scope 3, Category 5
	Business travel (domestic)	303	0.23	Included	GHG Protocol, Scope 3, Category 6
	Business travel (international)	324	0.25	Excluded	
	Employee commuting/ working from home	105	0.08	Excluded	GHG Protocol, Scope 3, Category 7
	Upstream leased assets	No data <sup>2</sup>	0		GHG Protocol, Scope 3, Category 8
	Downstream transport and distribution	0	0	Excluded	GHG Protocol, Scope 3, Category 9
	Processing of sold goods	0	0	Excluded	GHG Protocol, Scope 3, Category 10
	Used of sold goods	0	0	Excluded	GHG Protocol, Scope 3, Category 11
	End of life treatment of sold goods	0	0	Excluded	GHG Protocol, Scope 3, Category 12
	Used of sold goods	0	0	Excluded	GHG Protocol, Scope 3, Category 13
	Downstream leased assets	0	0	Excluded	GHG Protocol, Scope 3, Category 14
	Investments	129,930	98.36	Excluded	GHG Protocol, Scope 3, Category 15
<b>Total t CO<sub>2</sub>-e</b>		<b>132,103</b>			

1. Market-based scope 2 emissions.

2. Base-building energy consumption not reported. CEFC Sydney and Melbourne offices purchase 100% GreenPower. CEFC Brisbane offices purchases LGCs to offset its base building energy consumption.

Appendix J

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 established within the Climate Active program. This year, the CEFC has purchased and retired 4,046 ACCUs from the Oriners and Sefton Savanna Burning Project and the Southern Aurukun Savanna Burning Project to cover corporate GHG emissions in the 2023-24 (1,873 t CO<sub>2</sub>-e) and 2024-25 (2,173 t CO<sub>2</sub>-e) financial years.

Figure 78 includes the historical GHG emissions data from 2016-17 to present. The CEFC withdrew from the Climate Active program in October 2024, shifting focus to the *Commonwealth Climate Disclosure Policy* and reporting against the Australian Public Service Net Zero emissions by 2030 target. The CEFC does not currently claim to be a carbon neutral organisation.

Figure 78: Corporate Greenhouse Gas Emissions over time

Year	Total corporate GHG emissions Scope 1, 2 and 3 (exc. Cat. 15) t CO <sub>2</sub> -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

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’s 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:** The market-based method provides a picture of a business’s electricity emissions in the context of its renewable energy investments. It reflects the emissions intensity of different electricity products, markets and investments. It uses a residual mix factor to allow for unique claims on the zero emissions attribute of renewables without double-counting.

Figure 79: 2024–25 Electricity Greenhouse Gas Emissions

Emission source	Scope 2 t CO <sub>2</sub> -e	Scope 3 t CO <sub>2</sub> -e	Total t CO <sub>2</sub> -e	Electricity kWh
Electricity (location-based approach)	92	9	102	133,908
Electricity (market-based approach)	0	0	0	100%
<b>Total renewable electricity consumed</b>	–	–	–	147,773
Renewable Power Percentage <sup>1</sup>	–	–	–	24,365
Jurisdictional Renewable Power Percentage <sup>2,3</sup>	–	–	–	–
GreenPower <sup>2</sup>	–	–	–	79,408
Large-scale Generation Certificates <sup>2</sup>	–	–	–	44,000
Behind the meter solar <sup>4</sup>	–	–	–	–
<b>Total renewable electricity produced</b>	–	–	–	–
Large-scale Generation Certificates <sup>2</sup>	–	–	–	–
Behind the meter solar <sup>4</sup>	–	–	–	–

Note: The table above presents emissions related to electricity usage using both the location-based and the market-based accounting methods. CO<sub>2</sub>-e = Carbon Dioxide Equivalent. Electricity usage is measured in kilowatt hours (kWh).

1. Listed as Mandatory renewables in 2023–24 Annual Reports. The renewable power percentage (RPP) accounts for the portion of electricity used, from the grid, that falls within the Renewable Energy Target (RET). The Renewable Power Percentage is presented in terms of kilowatt (kWh) consumed rather than as a percentage. Due to the mix of energy consumed, in some cases the kWh value may not directly align with the Renewable Power Percentage as published by the Clean Energy Regulator.

2. Listed as Voluntary renewables in 2023–24 Annual Reports.

3. The Australian Capital Territory is currently the only state with a jurisdictional renewable power percentage (JRPP).

4. Reporting behind the meter solar consumption and/or production is optional. The quality of data is expected to improve over time as emissions reporting matures.

## Financed emissions – asset classes and data completeness

This Part provides additional information in support of the financed emissions calculations for the 2023–24 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 A7*. The CEFC is a member of PCAF, and CEFC annual disclosures will be published on the PCAF website. Further information can be found in the CEFC Financed Emissions Basis of Preparation, available on the [CEFC website](#).

Figure 80: CEFC portfolio by PCAF asset class

PCAF asset class	Number of investments	Financed emissions scope 1 + 2 (t CO <sub>2</sub> -e/year)	Financed emissions scope 3 (t CO <sub>2</sub> -e/year)	CEFC – total commitment minus any repayments (\$m)	Emission intensity (t CO <sub>2</sub> -e/\$m, Scope 1 + Scope 2, asset class average)
Business loans and unlisted equity	77	78,485	689,644	3,412	16.7
Commercial real estate	7	1,490	4,475	492	3.7
Listed equity and corporate bonds	3	14,081	47,572	215	63.8
Motor vehicle loan	11	10,174	1,796	599	29.0
Project finance	58	25,700	66,420	3,663	9.5
No PCAF methodology	12			394	–
Data gaps**	3			68	–
<b>Grand total</b>	<b>171</b>	<b>129,930</b>	<b>809,906</b>	<b>8,844*</b>	<b>13.9</b>

\* Totals may differ from sum of line items due to rounding.

\*\* Data gaps include two project finance and one business loan and unlisted equity investment.

Appendix J

Data completeness

As of 30 June 2024, the CEFC held 171 active investments. Three 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. Twenty-nine investments were deemed zero emissions based on the operations (e.g. residential energy efficiency upgrade loan), or the phase of the investment (e.g. not deployed/commenced before 30 June 2024).

Figure 81: Financed emissions – data completeness

	Number of investments	CEFC – total commitment minus any repayments (\$m)	Investments % (no.)	Investments % (\$)
Complete	156	8,381	91%	95%
Declared Data Gap	3	68	2%	1%
No PCAF methodology	12	394	7%	4%
<b>Total</b>	<b>171</b>	<b>8,844</b>		

\* Totals may differ from sum of line items due to rounding.

Figure 82: Key data parameters – financed emissions

Data period	2023-24	Comments
<b>Portfolio coverage</b>	95%	95% of investments by commitment (\$).  91% of investments by number.  2% investments excluded due to lack of data.  7% investments excluded due to lack of PCAF methodology.
<b>Level of assurance</b>	No assurance	No assurance is provided on CEFC financed emissions for 2023-24.
<b>Scope 3 emissions</b>	Included	Scope 3 of CEFC financed emissions have been estimated for the first time in the 2023-24 data set.
<b>Lifetime emissions (optional)</b>	Excluded	The CEFC has not estimated lifetime emissions for its 2023-24 portfolio. The CEFC will investigate opportunities to include this component in coming years.
<b>Attribution methodology</b>		The calculation of attribution has been completed largely in line with the PCAF methodology, with the following exceptions:  – For select investments, the use of fair, or market value has been used in place of book value as this is deemed to more accurately represent the CEFC proportion of the asset(s). This is not in line with the PCAF methodology.  – For aggregation loans where the CEFC offers concessional loans for electric vehicles, the attribution is calculated using the original loan amount as a proxy for the purchase price as the denominator, where purchase price was not recorded at loan origination.
<b>Basis of preparation</b>		Further detail on the CEFC financed emissions methodology is provided in the CEFC Financed Emissions Basis of Preparation, available on the <a href="#">CEFC website</a> .

## Glossary

The below table includes acronyms, abbreviations and technical terms used in the Annual Report.

Term	Description
<b>ACCU</b>	Australian Carbon Credit Unit
<b>AER</b>	Australian Energy Regulator
<b>AHF</b>	Advancing Hydrogen Fund
<b>AML/CTF</b>	Anti-Money Laundering and Counter-Terrorism Financing
<b>ARENA</b>	Australian Renewable Energy Agency
<b>CCD</b>	Commonwealth Climate Disclosure
<b>CEFC</b>	Clean Energy Finance Corporation
<b>CEIF</b>	Clean Energy Innovation Fund
<b>Climate tech</b>	Companies and technologies with innovative approaches to emissions reduction
<b>CO<sub>2</sub>-e</b>	Carbon dioxide equivalent
<b>DCCEEW</b>	Department of Climate Change, Energy, the Environment and Water
<b>Energy efficient technologies</b>	Technologies, including enabling technologies, related to energy conservation and demand management
<b>ESG</b>	Environmental, Social and Governance includes an approach to measuring and reporting on an organisation's impact
<b>Follow-on investment commitment</b>	Subsequent or additional CEFC investment in an existing portfolio fund, project or business
<b>GP</b>	General Portfolio
<b>HEUF</b>	Household Energy Upgrades Fund™
<b>ISP</b>	Integrated System Plan, for the National Electricity Market
<b>KMP</b>	Key management personnel
<b>Leverage</b>	Represents the additional capital that the CEFC has been able to attract or 'crowd in' to transactions, alongside CEFC capital.
<b>Lifetime commitment</b>	Total investment commitments since the CEFC began investing in 2013
<b>Low emissions technologies</b>	Technologies that result in CO <sub>2</sub> -e emissions being substantially lower than relevant baseline activities
<b>Natural capital</b>	Refers to CEFC investments in agriculture and land
<b>NEM</b>	National Electricity Market, An electricity network covering Australia's eastern and south-eastern states
<b>NWIS</b>	North West Interconnected System, covering major towns and resource projects in the Pilbara region of Western Australia
<b>PATF</b>	Powering Australia Technology Fund
<b>PCAF</b>	Partnership for Carbon Accounting Financials
<b>Renewable energy technologies</b>	Includes solar and wind, as well as enabling technologies related to renewable energy generation, including battery storage and transmission
<b>PBS</b>	Portfolio Budget Statement
<b>RTN</b>	Rewiring the Nation
<b>RTNF</b>	Rewiring the Nation Fund
<b>SWIS</b>	South West Interconnected System, Western Australia's main electricity network centred around Perth
<b>SIFs</b>	Specialised Investment Funds: refer to specific capital allocations to priority areas detailed in the <i>Clean Energy Finance Corporation Investment Mandate Direction 2023</i>
<b>Sub-Fund</b>	The Rewiring the Nation Fund and each Specialised Investment Fund.

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