



Australian Government



Leading Australia's energy transition

Annual Report
2023–24

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Investing in Australia's transition

An aerial photograph showing a paved road with white lane markings running diagonally from the top right towards the bottom left. To the left of the road is a rocky coastline with clear, turquoise water. To the right of the road is a dense, lush green forest. The overall scene is bright and clear, suggesting a sunny day.

**to net zero
emissions
by 2050**



Australian Government



3 October 2024

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 2023-24

On behalf of the Board and Management of the CEFC, I am pleased to present the *Clean Energy Finance Corporation Annual Report 2023-24*.

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 is comprised of:

- 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*
 - 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 3 October 2024 in accordance with a resolution of the Board of the CEFC at its 135th meeting held on 24 September 2024.

There were no exemptions from reporting requirements sought or granted.

Yours sincerely,

Steven Skala AO
Chair

Clean Energy Finance Corporation

1300 002 332
info@cefc.com.au

Suite 1702, 1 Bligh Street
Sydney NSW 2000

cefc.com.au
ABN: 43 669 904 352

Introduction

The CEFC is a specialist investor in Australia's transition to net zero emissions by 2050. With access to more than \$30 billion from the Australian Government, we work with co-investors, industry and government to drive economy-wide investment in decarbonisation.

We invest in renewable energy, energy efficiency and low emissions technologies via the CEFC General Portfolio, the Rewiring the Nation Fund and four Specialised Investment Funds: the Household Energy Upgrades Fund, the Powering Australia Technology Fund, the Advancing Hydrogen Fund and the Clean Energy Innovation Fund. We are governed by an Independent Board, which provides prudent oversight and governance of CEFC culture, investment decisions and risk management. Our Executive and staff bring considerable experience and expertise to our investment and decarbonisation task. In adopting a national approach to the emissions challenge, we invest with commercial rigour, aiming to deliver a positive return across our portfolio.

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 our 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.



A message from the Chair



\$490m

CEFC largest individual investment commitment



The CEFC was established to drive investment in our clean energy transition, reflecting the essential role of both public and private sector capital in cutting emissions across our economy. This experience and sense of purpose drives the portfolio-wide CEFC investment approach.”

Net zero ambition sharpens CEFC investment focus

In the 2023–24 reporting year we evolved from an organisation with access to \$10 billion in capital to one with \$30.5 billion. This expanded scope and responsibility required significant organisational growth and operational change.

I am pleased to report that this expansion facilitated the pace and scale of our investment commitments. Notwithstanding challenging global and national market conditions, we saw significant progress across all areas of our investment activity.

In accommodating changes to the CEFC Act and Investment Mandate, the 2023–24 year saw the CEFC operate across distinct market segments, being firstly, our \$9.5 billion General Portfolio; secondly, the \$19 billion Rewiring the Nation (RTN) Fund; and thirdly, our four Specialised Investment Funds: the \$1 billion Household Energy Upgrades Fund (HEUF), the \$500 million Powering Australia Technology Fund (PATF), the \$300 million Advancing Hydrogen Fund (AHF) and the \$200 million Clean Energy Innovation Fund (CEIF).

The commercial rigour of CEFC investments is reflected in the \$5.2 billion received by it in lifetime repayments and returns from the private sector. This capital becomes available for re-investment upon receipt. Notably, since we began investing, each dollar of capital committed by the CEFC has attracted an additional \$3.01 from other investors. In the reporting year each dollar committed by the CEFC has seen matching private commitment at \$4.01.

Concessional finance

From our earliest days, the CEFC has been able to offer a degree of concessionality through our financing arrangements as a means of ameliorating the cost of the clean energy transition. With the expansion in our capital allocation, the Board expects to increase the use of this important financing measure, particularly in relation to the RTN Fund and the HEUF. In providing debt finance on more favourable terms than the borrower could otherwise obtain in the market, we are aiming to see the benefits of our finance extended to consumers, through lower energy costs in the case of the RTN Fund or access to discounted finance for home upgrades via the HEUF.

Consistent with this approach, the provision of concessional finance is neither a grant nor a loss to the CEFC. We expect our finance to be repaid in full, together with investment returns. The provision of concessional finance is the way in which the CEFC helps to ensure the benefits of the transition to net zero emissions are better shared with consumers.

Net zero emissions

Discussion about our energy transition often focuses on the scale of the investment. While the investment task is substantial, it is important to put the numbers in perspective. Infrastructure Australia notes that the \$53 billion five-year utilities pipeline (including energy projects) is overshadowed by building and transport investments of \$427 billion and \$210 billion respectively.¹

Grid transformation is not an end in itself. It is critical to Australia's efforts to reach 82 per cent renewables by 2030 and achieve net zero emissions by 2050. To that end, the CEFC also expanded its renewable energy related portfolio in the reporting year, taking lifetime investments to \$8.3 billion. This includes \$3.6 billion in lifetime investments for large-scale solar and wind projects supporting an additional 5.9 GW of generating capacity, along with \$406 million in lifetime commitments to support an additional 3.7 GWh of large-scale battery storage. In parallel, we maintained our economy wide focus, including market-leading commitments in natural capital, electric vehicles and climate tech.

Investment, risk and financing barriers

During 2023–24 we were pleased to see the General Portfolio achieve a surplus of \$218.7 million, with a further \$7.1 million surplus across the Specialised Investment Funds. Mark to market in accordance with accounting standards, non-cash concessional loan discount charges of \$444.2 million saw the RTN Fund report a deficit of \$441.7 million.

With respect to the RTN Fund, the Australian Government has requested the CEFC Board target an average return to at least cover the cost of the Fund over the medium to long term. The RTN Fund use of non-cash concessional loan discount is expected to increase over time as contemplated larger-scale transactions are completed, such as Marinus Link. In other words, the concessional loan discount reported by the CEFC represents the amount of savings that will be afforded to the financing cost of the transmission build, thereby reliably reducing cost to homes and businesses in Australia that would otherwise be the case. We expect returns to cover our costs, but in the interest of public policy outcomes, we will accept a lower return than the private sector would require for transactions of commensurate complexity and risk.

Collaboration and impact

An important point of discussion around grid transformation relates to social licence and community engagement. As a financier, the CEFC seeks to influence these matters positively, working with the relevant government agencies and project proponents who are directly responsible for projects from planning through to construction and operation. Those familiar with the work of the CEFC will recognise this as a hallmark of our approach since we began investing. With respect to the RTN Fund, we welcomed the stewardship of the Australian Energy Infrastructure Commissioner (AEIC) on social licence matters in the reporting year. We were also pleased to contribute to considerations by the Australian Energy Market Commission (AEMC) on rule changes to facilitate lower consumer energy costs as well as faster delivery of critical transmission infrastructure.

Experience and purpose

The CEFC was established to drive investment in our clean energy transition, reflecting the essential role of both public and private sector capital in cutting emissions across our economy. This experience and sense of purpose drives the portfolio-wide CEFC investment approach, across the General Portfolio, the RTN Fund and via our four Specialised Investment Funds. We do not underestimate the scale or complexity of the net zero transition, nor do we shy away from the urgency. We know the value of collaborating with government, regulators, industry and investors in delivering on this critical task. To that end we recognise the positive approach of the past year and extend our thanks to all involved.

On behalf of the CEFC Board we also thank our responsible Ministers, the Hon Chris Bowen MP, Minister for Climate Change and Energy, and Senator the Hon Katy Gallagher, Minister for Finance, Minister for Women and Minister for the Public Service. We acknowledge the outstanding contribution of CEO Ian Learmonth and the Executive Team, and of course our staff, whose commitment and expertise continues to power the CEFC. I would also like to thank my fellow Board members and Board sub-committee members who have dealt with a significantly expanded workload and time commitment with continued insight, rigour and diligence.



Steven Skala AO
Chair, CEFC

1. Infrastructure Australia, *Infrastructure Market Capacity Report 2023*, Australian Government, 2023.

A message from the CEO



Investment opportunities to transform Australia

The 2023-24 year was one of contrast and contradiction for our clean energy transition. Investment opportunities were tempered by supply chain constraints; emissions progress countered by unprecedented climate events; global uncertainty contrasted with the relentless pace of technological advance.

While challenging conditions moderated the scale and pace of new investment commitments, we again demonstrated the combined power of public and private capital to serve our national interests. To that end we saw CEFC capital bridge market gaps to spur investment where private capital was not available, or the available capital was at insufficient scale.

Large-scale transactions

>350

CEFC lifetime commitments

\$14.5b



As a specialist investor on behalf of all Australians, CEFC teams remained steadfast in the pursuit of our purpose: to catalyse investment in clean energy and to contribute to our national net zero ambitions.”

Landmark investment commitments

I am proud to be able to report that the CEFC marked the 2023-24 year with landmark investment commitments. Our teams delivered the largest single transaction since we began investing, with a \$490 million commitment to NSW EnergyCo to help transform our grid. We saw lifetime commitments to large-scale renewable energy top \$4 billion, reflecting the absolutely essential role of clean energy in economy-wide carbon reduction. And a truly groundbreaking investment in the potential of natural capital and carbon sequestration promises to achieve as much as one million tonnes of abatement over the next decade.

These investments all speak to the role of the CEFC in driving large-scale investment to deliver substantial returns with respect to emissions. This has never been the whole story for the CEFC, as we have shown again across the diversity of new commitments in 2023-34.

We continue to provide substantial finance for energy efficiency, electric vehicles and the exciting climate tech sector, which saw us commit more than \$30 million to Virescent Ventures for the creation of its new climate tech fund just after year end.

Urgent investment task

It can be tempting to view the challenges of our transition to net zero emissions as too large, too complex or too distant to prioritise. In a year characterised by global political uncertainty, broken climate records and economic constraint, it is a temptation the CEFC knows we must resist.

Climate experts at home and globally counsel that we are well into the critical decade for action to avoid the worst outcomes of global warming. With global emissions reduction targets under pressure, we take seriously our role in addressing the investment task year on year, and the critical importance of bringing both new capital and new financing solutions to the challenge.

New capital, new ambition

Last year I referred to our heightened ambition, when the Australian Government substantially increased our capital allocation and expanded our scope. In the intervening 12 months we have made remarkable progress on delivering on the trust and confidence extended to us.

We see this most clearly in the timely investment of capital in just the first year of operation for each of the \$19 billion RTN Fund, the \$1 billion HEUF and the \$500 million PATF.

Reflecting the track record of our first decade, we moved swiftly to establish these Funds, building out the appropriate investment scope, risk and governance frameworks, while crystallising early investor interest in ground-breaking transactions. CEFC investment commitments across these three new Funds amounted to \$847.3 million in 2023–24, with a total transaction value of \$1.2 billion in investor capital across 16 transactions. We are pursuing robust investment pipelines across all three Funds, with substantial new investment commitments expected to close in the near term.

Steadfast commitment to our purpose

As a specialist investor on behalf of all Australians, CEFC teams remained steadfast in the pursuit of our purpose: to catalyse investment in clean energy and to contribute to our national net zero ambitions.

The energy transition represents a seismic shift in the Australian and global economic environment, similar in scale and impact to the industrial revolution of the 19th century, the arrival of the car in the 20th century and the remarkable digital transformation of the 21st century. As with these earlier transitions, the considerable up-front investment task to achieve net zero emissions brings the very real promise of positive outcomes for our environment and our economy.

Australia is uniquely placed to capture these benefits. Low-cost renewable energy on the planet's sunniest continent can fill the fossil fuels gap and is the critical key to economy-wide decarbonisation.

CEFC investment activity across our General Portfolio illustrates these opportunities. Since we began investing, \$4 billion of CEFC capital has backed 7.6 GW in large-scale new renewable generation capacity and energy storage. We have supported \$2.3 billion in discounted finance for over 70,000 smaller-scale clean energy projects. Our natural capital portfolio, already at \$400 million, is underpinning a sustainable future for our agriculture sector. Our capital is also giving Australians the chance to join the electric vehicle revolution.

Investment outlook

Investment trends are by their very nature cyclical, and we expect market activity to pick up in 2024–25, despite ongoing challenges including geopolitical turbulence, interest rates changes, cost inflation or supply chain disruption.

Important Australian Government policy measures, notably around transmission, the Capacity Investment Scheme (CIS), emissions standards and abatement, are improving both the investment and regulatory environment. Investor capital continues to preference low emissions opportunities, especially in view of enhanced disclosure requirements. These initiatives send important market signals to a broad range of investors such as ourselves.

Shared focus

As Australia's specialist 'green bank'² we work closely with the Australian Government, regulators, industry and investors in meeting our objectives and extending our impact. We recognise the positive and productive relationships we have developed with our stakeholders, who share our commitment to net zero emissions.

We acknowledge the high expectations and interest of our responsible Ministers, the Hon Chris Bowen MP, Minister for Climate Change and Energy, and Senator the Hon Katy Gallagher, Minister for Finance, Minister for Women and Minister for the Public Service. We continue to benefit from the stewardship of our Board, led by Chair Steven Skala AO, particularly in light of our expanded capital and scope.

As CEO, I also recognise the commitment of the staff of the CEFC in delivering on our purpose. It is a necessary part of our role to be at the vanguard of investment and market activity; to identify and deliver new opportunities and financial solutions; to break through complexity to accelerate delivery. As we discuss throughout this Annual Report, the specialist expertise and collaborative approach of our teams remain critical to our success.



Ian Learmonth
Chief Executive Officer, CEFC

2. Note the CEFC is not an authorised deposit taking institution or a licensed bank nor is it an Australian Prudential Regulation Authority (APRA) regulated entity.

About the CEFC

Closing market gaps, lowering emissions



Purpose

The purpose of the CEFC is reflected in the object of the CEFC Act:

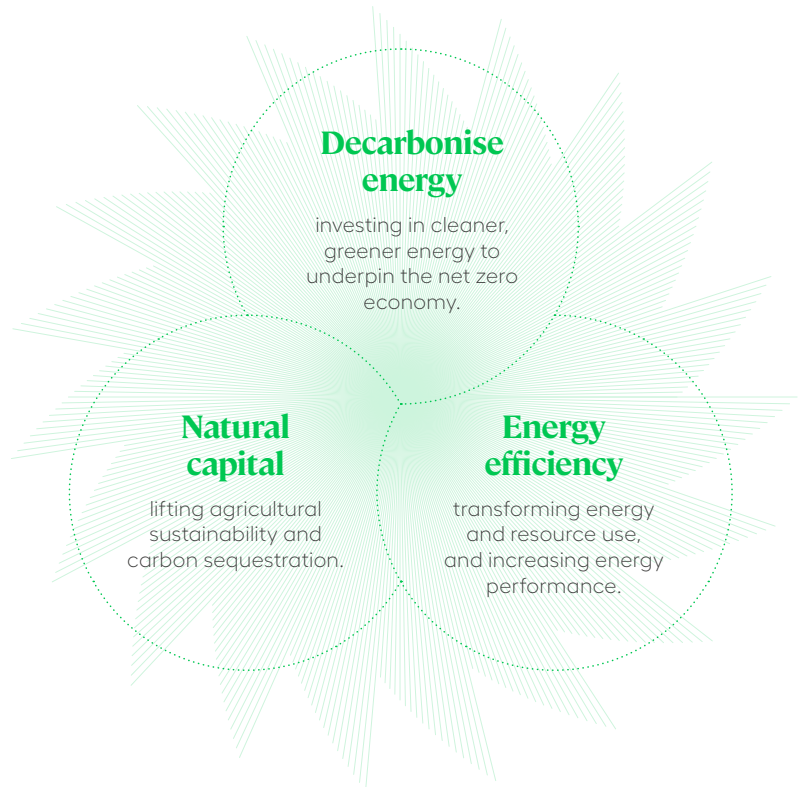
To facilitate increased flows of finance into the clean energy sector and to facilitate the achievement of Australia's greenhouse gas emissions reduction targets.



Strategic investment priorities

Australia is targeting a 43 per cent fall in emissions by 2030 and the achievement of net zero emissions by 2050.

It is widely understood that these targets require sustained effort. In that context the CEFC is focused on investing its \$30.5 billion capital allocation across three strategic investment priorities:





Governance

Governance principles

The CEFC Board adopts private sector principles of good corporate governance in providing oversight and direction to the Executive.

Board Committee charters

The Board has a flexible approach to investment, recognising the evolving market. This is explained in the relevant Board Committee charters.

Investment policies

These describe our investment strategy, performance benchmarks and approach to managing risk.

Risk Management Framework

Explains how the CEFC monitors and manages strategic, investment, financial, operational and regulatory risks.



Values

Impact

We're driven to make a positive impact

Collaboration

We harness the power of many

Integrity

We work openly and honestly

Innovation

We're explorers of new frontiers



Priorities and performance: 2023-24

Investment capital

The CEFC capital allocation of \$30.5 billion is invested in economy-wide decarbonisation

General Portfolio
\$9.5 billion

Powering Australia Technology Fund
\$500 million

Rewiring the Nation Fund
\$19 billion

Advancing Hydrogen Fund
\$300 million

Household Energy Upgrades Fund
\$1 billion

Clean Energy Innovation Fund
\$200 million

Eligible investments

We invest in renewable energy, energy efficiency and low emissions technologies.

Our investments are solely or mainly Australian-based.

We invest in both debt and equity, and work to deliver a positive return for taxpayers across our portfolio.

Transaction highlights 2023-24



Single largest CEFC transaction, with a \$490 million commitment through the RTN Fund to accelerate the delivery of new grid infrastructure.

Identification of as much as \$850 million in investment opportunities via the HEUF, supporting discounted consumer finance for **home energy** upgrades.

\$127.5 million commitment to the Golden Plains Wind Farm, with the capacity to power the equivalent of every home in **regional Victoria**.

\$102.4 million backing for the Neoen Goyder South Stage 1 Wind Farm and the **Blyth Battery** in South Australia.

First investment in the **forestry sector**, with a \$75 million commitment targeting carbon abatement of one million tonnes over the next decade.

Commitments of \$77 million across six new and six follow on transactions in the **climate tech** space in the first year of the PATF.

Backing for **market-leading bond** issuances, with SA Power Networks and the Australian Energy Market Operator (AEMO) raising an aggregate \$795 million in separate issuances to facilitate investment in grid transformation and renewable energy.

Performance outcomes

General Portfolio and Specialised Investment Funds

Demonstrate leadership in Australia's energy transition



Gigawatts of new electricity generation and storage capacity unlocked



Estimated emissions reduction per annum from new capital commitments to the non-electricity sector



Adjusted operating result



Rewiring the Nation Fund

Demonstrate leadership in Australia's transition through delivery of the RTN Fund



Structure and execute RTN investments consistent with risk, return and concessionality settings



Gigawatts of transmission transfer capacity commercially committed



Investment activity

Leading investment to accelerate delivery of low emissions ambition

Investment activity in the clean energy sector in the 2023–24 year was impacted by high interest rates, geopolitical uncertainty, disruptions to critical supply chains, and global competition for skilled labour.

These factors again highlighted the important role of the CEFC in leading investment to crowd in capital, accelerate delivery of low emissions ambitions and fill market gaps, including where private sector interest had slowed.

In 2023–24, the CEFC committed an additional \$1.8 billion in capital across 24 new and 18 follow-on transactions. Together with co-investors, the total value of CEFC investment commitments contributed to \$9.3 billion of clean energy opportunities in the 12 months.

In maintaining a strong commercial focus on key economic sectors in 2023–24, CEFC commitments were made via the CEFC General Portfolio, the RTN Fund, the HEUF, the PATF and the CEIF.

Figure 1: Commitments by portfolio, fund: 2023–24 and lifetime

	General Portfolio	Rewiring the Nation Fund	Household Energy Upgrades Fund
Capital allocation	\$9.5b	\$19b	\$1b
Scope	Includes renewables, storage; property, infrastructure, natural capital, electric vehicles, climate bonds and small-scale asset finance programs.	Spearheads investment in grid and network transmission infrastructure, long-duration storage, and distributed energy resources.	Specialist discounted financing program to support homeowners in lifting household sustainability.
CEFC commitments			
2023–24	\$982m	\$710m	\$60m
Lifetime to 2023–24	\$13.4b	\$710m	\$60m

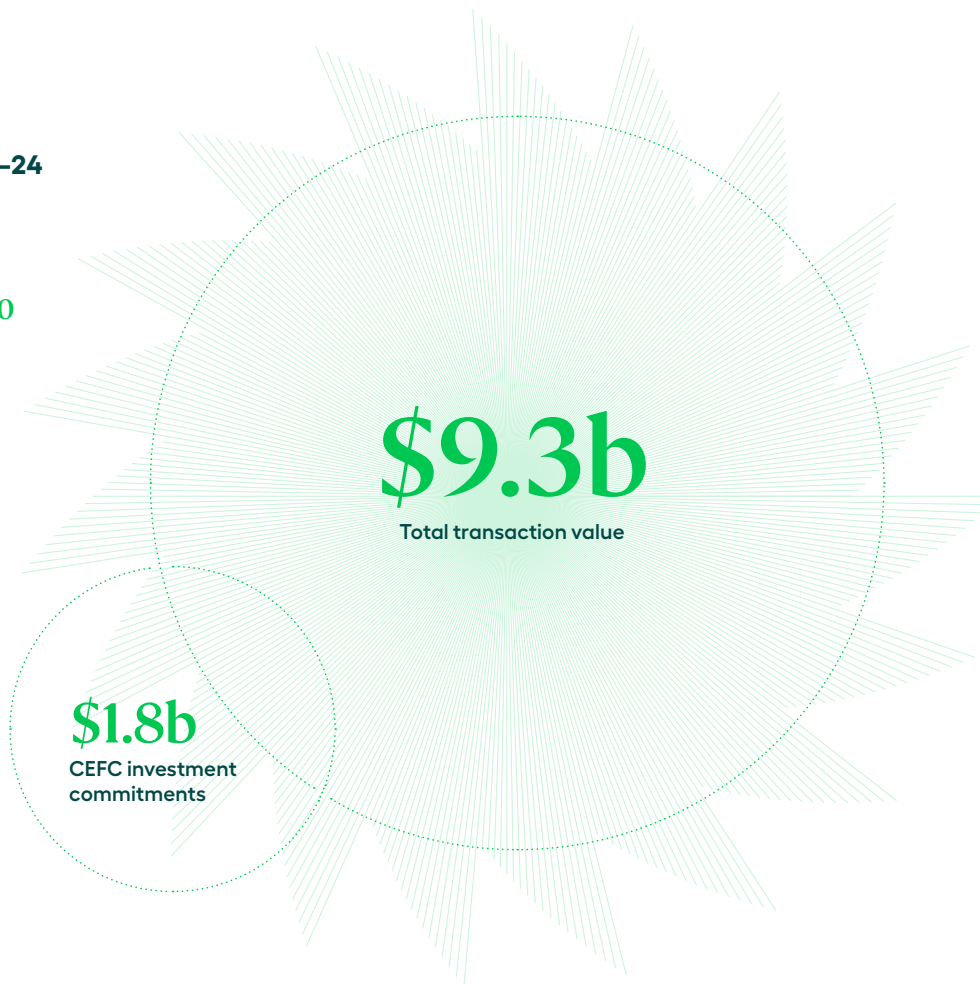
Investment snapshot 2023–24

\$4.01 ~~:\$1.00~~

Private sector leverage

42

New and follow-on investment commitments



\$9.3b

Total transaction value

\$1.8b

CEFC investment commitments

Powering Australia Technology Fund

\$500m

Supports projects and businesses developing or commercialising climate tech opportunities.

\$77.3m

\$106.9m

Advancing Hydrogen Fund

\$300m

Supports the growth of an innovative and competitive hydrogen industry.

\$-

\$15.7m

Clean Energy Innovation Fund

\$200m

Backs early-stage climate tech innovators, including those with potential for domestic and global market reach.

\$17.6m

\$199.6m

Notes:

- Hydrogen-related commitments may be financed through the PATF or CEIF, particularly where they are earlier-stage businesses.
- With CEIF reaching its \$200 million investment cap, some follow-on transactions and new early-stage equity investments are financed through the PATF.

Market trends and analysis

Global record high temperatures contributed to a growing sense of urgency around the need to escalate decarbonisation, though this was challenged in 2023–24 by weak international growth prospects and higher interest rates.



Investment trends

CEFC investment activities occur within a complex and rapidly changing environment.

While evidence of climate impacts continues to build, and government, investor and consumer sentiment escalates decarbonisation commitments, the required economic environment and scale of investment offer challenges. These challenges are being tackled through innovation, emerging technology and supportive regulation.

Climate trends

The World Meteorological Organization reported 2023 as the hottest year on record, with the annual average global temperature 1.45 °C above pre-industrial levels.³

High temperatures continued into 2024 with June marking the 13th consecutive month of record-breaking global temperatures, and the 12th in a row above 1.5°C compared to pre-industrial levels.⁴ While the Paris Agreement goals focus on long-term temperature increase, averaged over decades rather than an individual year, these record-breaking temperatures highlight the urgency of decarbonisation.



Global investment

The global economy is still grappling with inflation and weak growth prospects.

Global inflation has eased, but progress has slowed in some advanced economies. With higher interest rates, investment has been challenged – from long-life assets with high upfront costs to climate tech companies. Despite these challenges, investment in the low-carbon energy transition surged 17 per cent to reach US\$1.77 trillion in 2023, according to BloombergNEF.⁵ Global investment in manufacturing of clean energy technologies is accelerating, backed by national policies focused on sovereign manufacturing capability, which is expected to ease some supply chain pressures in the next few years.⁶



Australian investment

Australian energy transition investment was flat from 2022 to 2023 according to BloombergNEF, a trend that needs to change as the investment need remains high.

AEMO estimates that \$122 billion in annualised capital investment is needed to deliver the Integrated System Plan (ISP) for the National Electricity Market (NEM) alone.⁷ It is important to note that many of these capital investments cannot be avoided: it is a choice between investment to maintain current systems rather than systems that support the energy transition. Building the transmission projects in the plan delivers \$18.5 billion in avoided costs to Australian homes and businesses, and cuts emissions.

3. World Meteorological Organization (WMO), 'WMO confirms that 2023 smashes global temperature record', 12 Jan 2024, accessed 13 Sept 2024.

4. Copernicus Climate Change Service, 'June 2024 marks 12th month of global temperatures at 1.5°C above pre-industrial levels', 10 July 2024, accessed 13 Sept 2024.

5. BloombergNEF, *Energy Transition Investment Trends 2024*, BloombergNEF, 2024.

6. International Energy Agency (IEA), *Advancing Clean Technology Manufacturing*, IEA, 2024.

7. AEMO, *2024 Integrated System Plan*, AEMO, 2024.

While Australia's emissions are trending downwards, there is a very real need for increased investment if we are to meet our net zero ambitions.



Global emissions

More than 140 countries, including Australia, covering 88 per cent of global emissions, have set net zero emissions targets, joined by more than 1,000 corporations.⁸

The Science Based Targets initiative said the total number of companies with science-based targets increased by 102 per cent during 2023 alone, with companies with validated science-based targets, or commitments to set targets, representing 39 per cent of global market cap in 2023.⁹ A further acceleration is needed however, with the global stock take at the United Nations Climate Change Conference in Dubai showing we are not yet on track to keep the 1.5 degree target within reach. Global attention is increasingly moving towards national goals for 2035, with more ambitious Nationally Determined Contributions due to be submitted under the Paris Agreement in 2025.



National emissions

Australia's emissions continue to trend downwards, with the latest quarterly update showing emissions in the year to December 2023 were 29 per cent below 2005 levels, the base year.¹⁰

The national 2023 emissions projections showed good progress towards the 2030 target. Under the baseline scenario, Australia was projected to achieve a 37 per cent reduction by 2030. In the "with additional measures" scenario, which incorporates additional policies that had been announced but not finalised, Australia's emissions were projected to be at 42 per cent below 2005 levels by 2030.¹¹ The "with additional measures" scenario included the 82 per cent renewable electricity target and further measures under the National Electric Vehicle Strategy. Similarly, Australia is making good progress towards meeting its cumulative 2021–2030 emissions budget.



Climate tech

The global energy system continues to be disrupted by three exponential forces: renewables, electrification and energy efficiency.¹²

While climate technologies like solar panels and wind turbines are mature, innovation and scale continue to improve the options we have and reduce their cost, for example, by pushing the limits of solar panel efficiency and wind turbine output. Similarly, battery technology is seeing rising quality and falling costs.

Electrification is a key trend on a global scale as investors increasingly focus on net zero ready buildings and electric vehicles expand their market share in passenger vehicle sales and make inroads into freight transport. Electrification brings with it substantial efficiency improvements, which can build on improvements in building and infrastructure design. Research and development in low-carbon liquid fuels is also improving the viability of replacing aviation and heavy-vehicle fuels. In November 2023, the first flight from London to New York was powered by 100 per cent sustainable aviation fuel.¹³

8. Net Zero Tracker, '[Data Explorer](#)', accessed 13 Sept 2024.

9. Science Based Targets initiative (SBTi), '[102% growth in the number of companies with science-based targets fuelled by growth in Asia](#)', 1 July 2024, accessed 13 Sept 2024.

10. Department of Climate Change, Energy, the Environment and Water (DCCEEW), '[National Greenhouse Gas Inventory Quarterly Update: December 2023](#)', DCCEEW, Australian Government, 2024.

11. DCCEEW, '[Australia's emissions projections 2023](#)', DCCEEW, Australian Government, 2023.

12. K Bond, S Butler-Sloss, and D Walter, '[The Cleantech Revolution](#)', RMI, 2024.

13. Virgin Atlantic, '[Virgin Atlantic's Flight100 saved 95 tonnes of CO2 and demonstrated environmental benefits of Sustainable Aviation Fuel](#)', 7 May 2024, accessed 13 Sept 2024.

CEFC market priorities

CEFC investment activities operate at the intersection of the key drivers of emissions and the areas of strongest investment potential.

Industry focus

The CEFC industry focus recognises that the transition to net zero emissions requires an economy wide approach.

Energy efficiency and process improvements at the sector level must complement the accelerated transition to renewable energy, storage and grid transformation. Carbon sequestration opportunities via the natural capital sector are essential to providing decarbonisation options for hard-to-abate areas of the economy, including in manufacturing.

Our dual focus on emissions reduction and investment potential has the effect of accelerating measures to reduce emissions at scale while creating investable opportunities for existing and new investment capital focused on sustainability. This market-facing approach leveraged opportunities in several key economic sectors in the 2023–24 reporting year, including in the critical areas of infrastructure, electric vehicles, natural capital and carbon sequestration.

Geographic reach

New and follow-on investment commitments in the 2023–24 year again extended the reach of our capital across both national and locally-based projects and programs.

Of the 24 new and 18 follow-on investment commitments in the year, 15 were national in nature, with \$551.5 million in CEFC capital driving total transaction value of \$2.4 billion. National commitments included discounted asset finance programs for electric vehicles and a broad range of energy efficiency measures, as well as climate bonds and investments via managed funds. The balance of 27 new and follow-on commitments in the reporting year delivered some \$1.3 billion in CEFC capital to locally-based projects and programs, representing a total transaction value of \$6.8 billion. Transactions included those in renewable energy and large-scale storage, natural capital and infrastructure.

Eligible technologies

The CEFC Act requires the CEFC to invest in eligible clean energy technologies, including renewable energy, energy efficiency and low emissions technologies.

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. At 30 June 2024, investment in renewable energy technologies represented 57.5 per cent of CEFC funds invested.

With energy at the heart of the net zero transition, the CEFC maintained its key focus on renewable energy, with \$1.3 billion in new and follow-on commitments taking the lifetime value of CEFC commitments to renewable energy to \$8.3 billion.

These commitments extend from investments in critical transmission and grid infrastructure to large-scale solar, wind and battery storage projects, smaller-scale solar and hydrogen-related transactions. To 30 June 2024, CEFC capital was backing the delivery of 5.9 GW in additional large-scale renewable energy capacity, and 3.7 GWh in large-scale storage capacity.

CEFC finance for low emissions technologies, at \$413 million in the 2023–24 year, reflected new and follow-on investments in natural capital, electric vehicles and the resources sector in particular. New investment commitments in energy efficiency-related technologies were \$90.1 million in 2023–24, taking the value of lifetime energy efficiency commitments to \$4.3 billion.

Decarbonisation

CEFC investment commitments in the 2023–24 year again reflected our role in increasing investment to facilitate the achievement of Australia’s emissions reduction targets.

During the reporting year, we addressed the emissions reduction task through the role of CEFC capital in contributing to a lower emissions electricity sector, the single largest source of Australia’s emissions and a critical precursor to economy-wide decarbonisation.

CEFC investment commitments in the reporting year backed 1.2 GW of additional renewable generation and energy storage. Additionally, commitments in the first year of operation of the RTN Fund are expected to deliver 7.2 GW of additional transfer capacity.

Projects we have invested in since inception are estimated to collectively avoid an average 7.5 Mt CO₂-e per year over their lifetime. 2023–24 investment commitments are forecast to contribute 0.33 Mt CO₂-e per year to this total, from avoided electricity and non-electricity sector emissions. Substantial contributions to estimated avoided emissions came from Golden Plains and Goyder South wind farms.

As in previous years, the CEFC is careful not to claim that abatement occurs independently of other policy measures, such as government grants or procurement settings, or regulatory settings. Refer also to the climate disclosure discussion in Section 4.

Capital and investment returns

The CEFC is required to invest with commercial rigour, aiming to deliver a positive return across the investment portfolio over time.

This approach is reflected in the \$5.2 billion received in lifetime repayments and returns on CEFC investments to 30 June 2024, including returns of \$675.3 million in the most recent 12 months. This capital is available for re-investment.

After allowing for repayments, returns and cancellations, the CEFC on-risk portfolio at 30 June 2024 was \$8.8 billion, on lifetime commitments of \$14.5 billion. Capital deployment for the 12 months reached \$1.3 billion, against \$929 million the previous year, taking lifetime deployment to \$11.4 billion. Through the timely deployment of CEFC capital, we are accelerating the delivery of emissions reduction while also contributing to economic activity.

Investment leverage

A notable feature of CEFC investment activity is our role in attracting new and additional private sector involvement at scale, to extend the impact of our capital, while contributing to market confidence in net zero investment opportunities.

This focus saw CEFC investment commitments in the 12 months to 30 June 2024 attract an additional \$4.01 for each dollar of CEFC capital invested.

Concessional finance

The increased provision of concessional finance was a feature of the 2023–24 investment year, particularly with respect to new transactions via the RTN Fund and HEUF.

Concessional finance is a loan made on more favourable terms than the borrower could otherwise obtain in the market. It may include non-market characteristics such as alternate risk positions, lower finance costs, deferred payment arrangements and longer loan tenors. In the case of the RTN Fund, concessional or discounted CEFC finance can help lower overall project costs, with flow on benefits to consumers. In the case of the HEUF, the CEFC is deploying concessionality to lower the cost of finance to individual borrowers. Refer to Appendix C.

Flexible finance

The CEFC continued to offer tailored investment solutions to accelerate investment in 2023–24.

These may be in the form of direct debt or equity; listed and unlisted managed funds; sustainability-themed bonds and small-scale asset finance programs delivered via established co-financiers. Of the \$1.8 billion in investment commitments in the 2023–24 year, \$1.65 billion was in the form of debt, with the balance of \$192 million in equity, including managed funds.

This flexible approach is of particular value given the economy-wide scope and scale of CEFC investment activities. Across our portfolio, we maintain a preferred minimum investment of \$20 million per transaction, such as for renewables and storage, infrastructure, property and natural capital. Investments in climate tech opportunities remain of a lower investment size, reflecting the entrepreneurial nature of these businesses and/or the emerging nature of the technologies. With respect to our small-scale asset finance programs, these are structured to support discounted finance for individual borrowers, such as small businesses, farmers and electric vehicle buyers. The estimated typical loan value is \$20,000.

CEFC market focus

Lifetime impact

CEFC lifetime commitments reached \$14.5 billion to 30 June 2024, across more than 350 large-scale transactions.

Together with our co-investors, CEFC investment activity saw the total value of lifetime commitments reach \$58.4 billion at 30 June 2024, reflecting a lifetime leverage of \$3.01:\$1.00 – representing the amount of additional capital the CEFC has been able to “crowd in” to help address the urgent emissions reduction task.

\$58.4b

Total transaction value

Economic impact

\$14.5b

Total CEFC commitments¹⁴

\$11.4b

CEFC capital deployed

\$5.2b

CEFC capital repaid or returned

Market impact

>350

Large-scale transactions financed

\$3.01:\$1.00

Private sector leverage

~\$2.3b

Finance for >70,000 smaller-scale loans

Technology impact

\$8.3b

Powering renewable energy

\$4.3b

Delivering energy efficiency

\$1.8b

Backing low emissions technologies

¹⁴. Figures are lifetime to 30 June 2024.

5.9 GW

New large-scale renewable energy generation capacity drawing on CEFC finance

\$1.3b

Value of CEFC commitments to large-scale transmission and grid projects



Building in renewable energy

CEFC capital plays a leading role in supporting the development of large-scale solar and wind generation across Australia. To accommodate increasing levels of renewable energy, we also invest in energy storage, grid-balancing technologies and transmission to create a modernised grid that supports our clean energy transition.

Where we invest

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Lowering emissions and increasing the flow



Lifting broader market ambition

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.

[Read more on the CEFC website](#)



of finance
into the
clean energy
transition

Where we invest

General Portfolio

Purpose

The General Portfolio refers to those CEFC investment commitments made alongside those under the RTN Fund and the four Specialised Investment Funds.

With a total capital allocation of \$9.5 billion for the General Portfolio, the Investment Mandate requires the Board to focus on clean energy technologies, and financial products and structures to support Australia's greenhouse gas emissions reduction targets. Economy-wide investment commitments include renewable energy generation and storage, property, infrastructure, natural capital, electric vehicles, small-scale asset finance and green/sustainability linked loans. The Board must target an average return of at least the 5-year Australian Government bond rate + 2 per cent to + 3 per cent per annum over the medium to long term as the benchmark return.

Market context

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.

General Portfolio: 2023–24

Transactions through the General Portfolio represented the largest share of activity in the 2023–24 year, with \$982 million in commitments across 14 new and 10 follow-on transactions. These commitments spurred total transaction value of \$8 billion, representing leverage of \$7.15 for each \$1.00 of CEFC capital. The value of lifetime commitments through the General Portfolio reached \$13.4 billion, with total project value of \$56 billion.

Transaction highlights: 2023–24

Asset finance: Together with our co-financiers, the CEFC provided more than \$300 million in capital for discounted finance for more than 17,000 smaller-scale asset finance loans in 2023–24. Since we began investing, the CEFC has supported the provision of discounted finance for more than 70,000 such loans, with a total project value of \$2.3 billion.

SA Power Networks: \$28.5 million participation in the landmark certified green bond, the first to be issued by an Australian electricity distributor. The issuance, to finance grid decarbonisation, included \$245 million of 3-year bonds and \$250 million of 8.5 year bonds.

Our stories

Flinders Port Holdings

CEFC investment case: \$70 million investment to contribute to the decarbonisation of Australian ports and pioneer the use of green finance to steer this hard-to-abate industry towards lower emissions.

Flinders Port Holdings (FPH) is the first CEFC direct finance in the maritime sector and the first green financing of container stevedoring operations in Australia. FPH will investigate transitioning from hybrid straddle carriers to an electric Automated Rubber Tyre Gantry at its Flinders Adelaide Container Terminal, in what would be a significant change to the way it moves containers, and an Australian first.

Other measures include the replacement of internal combustion engine light vehicles and vessels with electric and hybrid alternatives, and installation of solar PV to reduce power consumption across its landside operations. In addition, FPH will investigate the potential of cleaner shore-based power by connecting berthed ships to the grid to replace diesel bunker fuel.

FPH has committed to reach net zero for Scopes 1 and 2 emissions by 2040, and net zero for Scope 3 by 2050. Stevedoring operations are traditionally difficult to abate and as both an owner and operator of multiple ports, FPH is in a unique position to catalyse change for a more sustainable maritime sector across Australia's estimated 70 ports, including eight major cargo ports.

[Read more on the CEFC website](#)

\$70m

CEFC commitment



General Portfolio

Capacity Investment Scheme



The CIS, which aims to underwrite 23 GW of renewable capacity and 9 GW of clean, dispatchable capacity by 2030, represents a material step change for the sector, providing the investment signals needed to significantly accelerate investment and the buildout of renewables. The scale of the CIS, with much of the volume front-loaded in early record volumes of investment in Australian renewables and storage in the coming years. The CEFC expects to be in a position to finance eligible projects as CIS contracts are awarded.

Renewable energy generation

New CEFC large-scale renewable energy investment commitments over the 2023–24 period totalled \$289.9 million across three new transactions that will deliver 780 MW of new wind generation and 419 MW/1,276 MWh of new battery storage. Our investments focused on accelerating project delivery as well as supporting project proponents who have navigated challenging market conditions via the provision of innovative offtake structures and impactful environmental and social initiatives.

Market context

The 2023–24 year was characterised by ongoing capex cost challenges, planning approval bottlenecks, particularly for wind, and the investment market absorbing finalised details of the CIS revenue support arrangements. For the limited number of projects that reached close, we observed an increase in size, both in terms of generation capacity and capital, with the subsequent size of lender facilities and number of financiers in each transaction also increasing. Additionally, large industry players continue to consolidate their operating renewables assets into single portfolio financings. This strategy has allowed proponents to secure improved debt financing terms and unlock capital for greenfield projects.

Community benefits

CEFC investments in the renewables energy sector have a long track record of delivering additional benefits to local and regional communities, in addition to the employment and economic activity associated with the planning, development and operational phases. Additional benefits have included:

- Contributing to the decarbonisation of Australia's largest copper mine via a fixed firm energy supply agreement from a wind farm and battery
- Establishment of new national park in South Australia alongside traditional owners as part of an environmental offset program
- First-of-kind commitment to undertake an extensive investigation and publication of the carbon footprint from construction activities of a wind farm.

Market trends:

Large industry players are consolidating their renewable assets into single portfolio financings in a strategy that has allowed them to secure improved financing terms and unlock capital for greenfield projects.

General Portfolio

Large-scale storage

The deployment of short-duration storage grew rapidly in 2023–24, reflecting easing supply chain constraints, increased supplier competition and a broader debt financier market. With investment commitments in the Collie and Blyth battery energy storage system (BESS) projects during the reporting year, the CEFC has invested in the construction of six large-scale BESS projects, representing more than 1.7 GW and some 3.7 GWh of capacity.

Market context

We have been pleased to observe an increasing number of debt financiers enter the BESS market as the technology and financing structures for these assets have matured. The increased lender competition has led to better debt financing terms for project proponents, including leverage against merchant BESS revenues. Our early participation as a debt financier when market liquidity was limited demonstrates our leadership role in the market.

Near-term investment opportunities in long-duration storage remain limited, with the commercial case for projects with storage capacity durations beyond four hours remaining challenging. Projects that progress will likely require some form of revenue support or government intervention to have a viable route to market. The CEFC is working with public and private sector stakeholders on a financing offering to support these projects.

Transaction highlights: 2023–24

Golden Plains Wind Farm Stage Two:

\$127.5 million CEFC commitment to the 577 MW Stage Two supports the development of a 1,333 MW wind farm that is expected to replace the energy supply lost when the Yallourn coal-fired power station retires in 2028. Developer TagEnergy estimates the project will generate enough clean energy to power the equivalent of every home in regional Victoria.

Neoen Australia portfolio: \$60 million CEFC commitment to the financing of a 1.5 GW capacity portfolio of Neoen Australia renewable energy assets. The portfolio includes the 219 MW/877 MWh Collie Battery Stage 1 in Western Australia; solar and wind assets in Victoria, New South Wales, South Australia and Queensland. When operational, Collie Battery is expected to support Western Australia's clean energy transition by providing bulk energy transfer services for the South West Interconnected System (SWIS). The portfolio financing helps Neoen strengthen its business model as a long-term owner and operator of renewable energy assets in Australia, providing a solid foundation for future growth and for achieving its ambition of 10 GW of renewables capacity in Australia by 2030.

Market trends:

Technology and financing structures are maturing, attracting an increasing number of financiers and leading to better debt financing terms for project proponents.

Our stories

\$102.4m

CEFC commitment

Goyder South Stage 1 and the Blyth Battery

CEFC investment case: \$102.4 million to the second part of Neoen Goyder South Stage 1 Wind Farm and the Blyth Battery in South Australia. The investment commitment will support the construction of 203 MW of renewable energy generation and 238.5 MW/477 MWh of battery storage.

Goyder South Stage 1 forms part of the Neoen flagship Goyder Renewables Zone, 150 kilometres north of Adelaide. Once complete, the site will be the largest wind asset, and one of the most competitive in Neoen's global portfolio, boasting 75 wind turbines.

Goyder South Stage 1, along with the nearby Blyth Battery, will provide firm green power to BHP's Olympic Dam, helping decarbonise one of the world's largest critical mineral mines through a renewable energy baseload contract that will meet about half its electricity needs. Under the innovative Olympic Dam contract, Neoen will integrate output from the 203 MW second tranche of Goyder South Stage 1, firming the intermittent wind energy with the storage capacity of the Blyth Battery and its energy management expertise. At peak construction there were more than 400 construction workers at Goyder South and 40 at Blyth Battery, with a further 15 permanent positions expected during operation.

The project will also support Australian manufacturing, with the installation of wind turbine anchor cages manufactured in Sydney by Allthread Industries using Australian steel. The steel includes about 50 per cent recycled material.

[Read more on the CEFC website](#)



Project impact:

Goyder South Stage 1 and the nearby Blyth Battery will help decarbonise one of the world's largest critical mineral mines, the BHP Olympic Dam.



General Portfolio

Natural capital

Up to a third of global greenhouse gas emissions can be attributed to the broader food system. Investors are increasingly turning their attention to the role forestry, agriculture and land use transition can play in reducing these emissions and improving ecosystems while delivering returns on investments.

CEFC investment focus

CEFC investments focus on developing innovative investment strategies to deliver scalable and replicable emissions reduction outcomes, taking into account the highly fragmented nature of the natural capital sector. We also have an increasing focus on carbon sequestration, which has a critical role to play in the achievement of net zero emissions, providing decarbonisation options for hard-to-abate sectors of the economy. Investment opportunities include well integrated carbon projects with agriculture production assets and plantation forestry operations, which look to reduce their own operating emissions while also generating high integrity carbon credits. For the CEFC, this saw lifetime investment commitments in the natural capital sector reach \$400 million in the 2023-24 year.

Market context

Some 55 per cent of Australia's land mass is agricultural land, facing the twin challenges of declining arability per capita and increasing demand for food via population growth and changing consumption habits. Within the broader natural capital asset class, agriculture continues to be crucial to the Australian economy, with ABARES forecasting the value of production to reach an estimated \$80 billion in 2023-24.

In this context, the CEFC invests alongside landowners to maximise the productive, sustainable use of natural capital assets, while also bringing in new sources of capital across diverse agricultural and land use activities. During the reporting year we worked to increase industry understanding of emissions opportunities, including delivery of *Measuring what matters*, a report canvassing the role of credible, comparable and reliable metrics to guide investment decisions.

Market trends:

Producers, land managers and investors have a long-term interest in seeing successful global efforts to combat climate change. Natural capital investments are an attractive asset allocation that can deliver appropriate returns for the risk while targeting environmental benefits over time.

Our stories



\$75m

CEFC commitment

New Forests

CEFC investment case: \$75 million equity investment in the forestry sector, via the Australia New Zealand Landscapes and Forestry Fund, which supports the development of plantations to drive down emissions through carbon sequestration.

The Fund has committed to achieving one million tonnes of carbon abatement over the next 10 years. Plantations backed by the Fund will have the potential to generate revenue through Australian Carbon Credit Units (ACCU), supporting the growth of the carbon credit market in Australia. To support the development of new plantations, the Fund is looking to convert existing hardwood plantations to softwood where the longer rotation periods have higher carbon abatement potential.

As part of the CEFC investment commitment, the Fund will pursue ambitious sustainability measures to demonstrate decarbonisation strategies at scale. These include investment in new greenfield plantations, transitioning vehicles and farm machinery to electric or renewable fuels, working with suppliers to lower Scope 3 emissions and ongoing engagement to trial and promote emerging technologies to reduce emissions.

[Read more on the CEFC website](#)



Catalysing investment:

The CEFC investment was part of an initial \$600 million equity raise, alongside German pension fund Bayerische Versorgungskammer, and one of Europe's largest pension funds, Andra AP-fonden.

General Portfolio

Electric vehicles

Transport is the third largest source of greenhouse gas emissions in Australia, at 22.5 per cent, pointing to the critical need to switch to electric vehicles (EVs).

Australia's EV fleet exceeded 180,000 in 2023, with half of these purchased in the 2023 year alone – representing 8.45 per cent of all new cars sold, well above the widely-accepted five per cent tipping point for mass adoption.

CEFC investment focus

Since inception, the CEFC has supported the financing of more than \$445 million zero emission vehicles, and in 2023–24 made more than \$220 million in new and follow-on commitments to further support the EV transition.

Transaction highlights: 2023–24

Angle Auto Finance: \$50 million commitment as part of an innovative wholesale floorplan financing arrangement to get as many as 20,000 new EVs onto Australia's roads over the next two years. AAF, Australia's largest independent retail auto financier, will draw on the warehouse finance to speed the turnover and recycling of credit for major vehicle dealer and supplier networks, allowing them to increase the volume and range they bring to Australia. It will also provide discounted consumer finance for retail EV loans.

Metro Finance: \$50 million CEFC commitment to the \$250 million MetroEco Green Securitisation Warehouse Trust, will make it cheaper to finance EVs, solar PV, batteries, and energy efficient farming and construction equipment. The MetroEco product provides a total one per cent discount off Metro's standard rate for eligible customers, with the CEFC finance backing a 0.5 per cent discount, matched by Metro Finance. For example, eligible customers with a loan of \$60,000 for an EV could save some \$1,700 in interest expenses over five years.

Ampol: \$100 million commitment to Australia's largest fuel supplier to finance a range of clean energy technology measures at Ampol service stations across the country to accelerate the decarbonisation of its operations, kickstart its biofuel development and drive down national transport emissions. Potential initiatives include the roll out of EV charging and green hydrogen refuelling infrastructure, the installation of solar PV, and the development of alternative energy sources such as biofuels and sustainable aviation fuel.

Market context:

According to the Electric Vehicle Council, Australia is on track to reach a milestone of 100,000 EV sales in 2024 despite tough economic conditions.



Driving electrification

The CEFC helps Australians switch to EVs through finance that supports the increased supply of affordable and accessible vehicles as well as increased EV charging infrastructure.

Where we invest

Rewiring the Nation Fund

Purpose

The \$19 billion Rewiring the Nation (RTN) Fund is a significant expansion of CEFC investment capacity, with a particular focus on facilitating the timely delivery of grid and transmission projects, using CEFC capital to accelerate the benefits of grid transformation to consumers, including helping to lower consumer energy costs.

In delivering on these objectives, the CEFC is working closely with governments, network operators and market participants to develop financing options for priority grid transformation projects.

An era of profound energy change

The creation of the RTN Fund anticipates the considerable changes ahead in the way we produce and consume electricity, with the rapid exit of coal generation having profound implications for our energy system.

The AEMO expects as much as 90 per cent of the current 21 GW of coal capacity will exit the NEM by 2034-35, and all before 2040.

In terms of energy use, consumption from the grid is forecast to nearly double by 2050, to support economic and population growth alongside widespread electrification, from electric vehicles to homes and industrial processes. Grids will also facilitate a two-way flow of electricity as the role of consumer energy resources and demand-side participation grows.

As fossil fuels rapidly disappear from our generation mix, the RTN Fund is focused on ensuring priority grid and transmission infrastructure is reinforced and strengthened to absorb increased output from our massive solar and wind resources.

Grid and transmission infrastructure projects require substantial capital, expertise and time to bring online. For investors, these challenges are further compounded by macroeconomic factors, including global uncertainty and supply chain disruptions. As just one of many nations undergoing an energy transformation, Australia is in a race for capital, equipment and expertise.

Our stories



Central-West Orana REZ: Phase 1

The Central-West Orana Renewable Energy Zone (REZ) will bring together key transmission, generation and storage assets, located near important low-cost renewable energy resources in NSW. It will play a critical role in providing a new, affordable and reliable energy solution as coal-fired generators exit the power mix.

\$490m

CEFC commitment

The CEFC investment commitment is the single largest since we began operating and complements the NSW Government investment in the Central-West Orana REZ through the Transmission Acceleration Facility. The project will deliver at least 4.5 GW of transmitted electricity via ~240km of lines and supporting infrastructure within the Central-West Orana REZ. EnergyCo estimates the finance agreement will be expected to deliver an estimated \$240 million in benefits to NSW electricity consumers in the form of lower project costs over the 20-year tenure of the loan.

The RTN Fund capital will enable EnergyCo NSW to separately finance the capital expenditures related to land acquisition within the Central-West Orana REZ, as well as the purchase of biodiversity offsets, at a government cost of funds. This will ease the overall financing task across the broader REZ for the Network Service Provider. In an added benefit for regional NSW, EnergyCo will use biodiversity offset credits to carry out conservation management and preservation activities in NSW.

This is in addition to the provision of CEFC concessional finance to EnergyCo on more favourable terms than otherwise available in the market, lowering the overall financing cost to NSW electricity consumers.

EnergyCo has appointed ACERERZ, a consortium formed by ACCIONA, Cobra and Endeavour Energy, as its preferred network operator to design, finance, build and operate the Central-West Orana REZ. The CEFC is separately working with the ACERERZ consortium on anticipated RTN Fund investment for the REZ transmission connection infrastructure.

[Read more on the CEFC website](#)

Rewiring the Nation Fund

Our stories



VNI West Victoria

The VNI West transmission link connects the Victorian and NSW energy grids with REZs, to improve the reliability and security of electricity supply in both states.

AEMO will draw on the RTN Fund capital to undertake early works on VNI West in Victoria, including community, landholder and Traditional Owner consultations and ongoing investigations into the corridor and ultimate route.

VNI West aims to help unlock some 3.4 GW of additional renewable generation in Victoria – enough to power some two million homes – and facilitate an estimated additional 1.9 GW of transfer capacity between Victoria and NSW. The project will also enhance the energy reliability of Victoria by enabling access to Snowy 2.0. VNI West has been identified by AEMO as critical to helping secure Australia's energy supply as it contends with the rapid retirement of coal-fired power stations and the increasing use of lower-cost, clean renewable energy.

[Read more on the CEFC website](#)

\$120m

CEFC commitment

\$100m

CEFC commitment

Project impact:

The NSW Roadmap, through the delivery of whole-of-system benefits, aims to transform the NSW energy system to make it cheaper, cleaner and more reliable.



NSW Electricity Infrastructure Roadmap

The CEFC has committed \$100 million to support the delivery of substantial clean energy projects in NSW, including renewable energy generation, long duration storage and grid infrastructure as part of the ambitious NSW Electricity Infrastructure Roadmap.

The NSW Roadmap is a long-term policy framework to coordinate investment in generation, storage and firming infrastructure. Through the delivery of whole-of-system benefits, it aims to transform the NSW energy system to deliver affordable, clean and reliable energy. The NSW Government estimates that by 2030 the Roadmap will have supported the delivery of at least 12 GW of additional renewable energy generation and 2 GW of new long-duration storage, unlocking more than \$32 billion in private sector investment.

In delivering the Roadmap, NSW legislation has established a Scheme Financial Vehicle (SFV) to act as a counterparty to long-term energy service agreements and private sector infrastructure contracts for REZs and priority transmission infrastructure projects, including delivery of the 850 MW/1680 MWh Waratah Super Battery. The CEFC investment provides the SFV with a liquidity facility to support cashflow as infrastructure projects are advanced.

[Read more on the CEFC website](#)



Rewiring the Nation Fund

RTN Fund investment approach

The CEFC has a strong track record in facilitating difficult transactions, with experience vital to the success of grid modernisation, where financial barriers to investment reflect a complex regulatory environment, involving both private sector and government-owned operators. The RTN Fund can invest at scale and across the capital structure, with finance for both regulated and non-regulated businesses and/or projects. RTN Fund investment commitments must be financial assets, with the structure of financing commitments in 2023-24 reflecting a flexible approach, within the context of the CEFC Act and Investment Mandate.

RTN Fund investment commitments seek to balance the terms required to facilitate individual projects with the ability of the CEFC to achieve an efficient exit from investments with a view to reinvesting returned capital. By de-risking investments and actively managing or refinancing assets, the CEFC further aims to build market confidence and “crowd in” additional private sector investment while contributing to the delivery of public policy benefits.

National focus

The RTN Fund has a national focus, with RTN-related investments expected to lower Australia’s emissions by enabling the transition of our energy system to one based on at least 82 per cent renewables.

Eligible investments

Priority transmission projects identified by AEMO and other transmission network authorities across multiple Australian grids: including the **NEM, and the Western Australian and Northern Territory grids.**

Opportunities to enhance benefits to **electricity consumers**, including additional renewable energy generation facilitated by RTN investments.

Long duration **grid storage** and enhanced electricity distribution network.

Measures to strengthen the security, reliability and affordability of the grid, including **demand management** resources.

Enhancements to grid infrastructure to support a **hydrogen hub** or offshore electricity project.

Concessional finance

Concessional finance, which the CEFC has used sparingly since it began investing, is necessarily playing a more significant role in RTN Fund investment commitments given their additional scale and RTN policy objectives. Concessional finance is a loan made on more favourable terms than the borrower could otherwise obtain in the market. It may include non-market characteristics such as alternate risk positions, lower finance costs, deferred payment arrangements and longer loan tenors.

The benefits of CEFC concessional finance are designed to flow through to electricity consumers in the form of lower energy costs and/or to help accelerate or to ensure priority transmission projects proceed. The level of concessionality represents a non-cash ‘opportunity cost’ to the CEFC, based on the difference between a nominal loan value at the concessional rate and the fair value at the (implied) market rate of finance on equivalent terms.

CEFC concessionality arrangements are determined on a case-by-case basis, with individual financing details commercial in confidence. In our first year of investment through the RTN Fund, the total concessional loan discount was a net \$444.2 million. The RTN Fund does not provide grants and the CEFC Board expects its investment capital to be returned in full, although at a lower rate of return compared with an equivalent or comparable commercial transaction, reflecting Australian Government RTN Fund policy objectives.

Energy market participation

In its first full year of operating the RTN Fund, the CEFC was pleased to contribute to considerations by the AEMC on rule changes to facilitate measures to reduce the consumer impact of grid-related costs and enable the faster delivery of critical transmission infrastructure. Initial RTN Fund transactions were structured in anticipation of these rule changes, given the potential benefits to project delivery:

- The rule change on **concessional finance** will allow the benefits of concessional finance for transmission and distribution projects provided by government funding bodies, including the RTN Fund, to be passed through to consumers in the form of lower network charges.
- The rule change on **financeability** seeks to improve the ability of transmission network service providers (TNSPs) to efficiently finance the timely delivery of major projects by modifying the timing of depreciation to manage cash flows. This will deliver benefits to consumers in the short and long term, without providing additional revenue to TNSPs in real terms over the life of the assets.

Investment considerations

We have seen a strong level of investor interest in the RTN Fund, from what is a relatively small universe of potential investors, given the scale and complexity of the transactions, the regulated nature of the sector and the long-dated nature of the investments.

Co-investors are likely to include domestic and international institutional investors, banks and fund managers, including those with a focus on energy transition and emissions reduction. The strength of our economic, financial and legal systems – and our natural advantages in renewables – makes Australia an attractive destination for both domestic and international investors, as we see across our minerals, agriculture and industrial sectors.

Foreign investment has been a longstanding part of the development of Australia's economy, and it continues to benefit Australia, including by providing capital to finance new industries and enhance existing industries, boosting infrastructure and productivity, and creating employment opportunities. In structuring RTN Fund investments, our goal is to enable the benefits of CEFC concessional finance to flow through to electricity consumers in the Australian market.

Mitigating financial barriers

As with all CEFC investment commitments, through the RTN Fund the CEFC seeks to use our capital to address financing barriers that may prevent or delay investment decisions. Applicable measures through the RTN Fund include:

- 1 Address gaps in the capital structure** where existing financing arrangements have proven intractable.
- 2 Bring investment certainty to transmission projects** to enable transactions to close and construction to proceed.
- 3 Support scale-efficient priority investment in the grid** to accommodate additional low-cost renewable energy generation as it comes online, further improving community outcomes.
- 4 Assist project proponents to overcome global supply chain challenges**, created by unprecedented demand for decarbonisation activities and geopolitical concerns around energy.
- 5 Work with regulators to update cost recovery arrangements for transmission and distribution infrastructure** so that the benefits of RTN Fund concessional finance are passed through to consumers in the form of lower energy costs.

Rewiring the Nation Fund

Managing financial risk

The independent CEFC Board is responsible for approving RTN Fund investment commitments and associated financial risk management, drawing on well-established Investment Policies and Guidelines.

The Board acknowledges the heightened project and concentration risk of the exposure of \$19 billion to largely new build transmission and storage infrastructure. RTN Fund investment decisions seek to balance the terms required to facilitate individual projects with the ability of the CEFC to achieve an efficient exit from investments with a view to re-investing returned capital. By de-risking investments and actively managing or refinancing assets, the CEFC also aims to build market confidence and “crowd in” additional capital while contributing to the delivery of public policy benefits.

Consideration of proposed returns from RTN Fund-related investments are made in the context of project delivery risk; the proposed financial instrument; loan tenor relative to the investment life cycle; financial model and sensitivity analysis; and matters related to proposed concessionality. During 2023–24, the RTN Investment Advisory Committee provided the Board with an additional level of support in evaluating RTN Fund transactions.

Government policy objectives

The CEFC approach to RTN Fund investments demonstrates our dual purpose – to lower emissions and to increase the flow of finance into the clean energy transition. The scale of the RTN Fund offers additional benefits, to rural and regional areas in particular.

During the reporting year we welcomed the creation of the Net Zero Economy Agency, to be responsible for promoting orderly and positive economic transformation to ensure Australia, its regions and workers realise and share the benefits of the net zero economy. Tasks include catalysing investment in new industries and jobs, particularly in emissions-intensive regions, and supporting workers impacted by the net zero transition, particularly workers in coal-fired power stations and dependent mines to transition to new opportunities. The CEFC appreciates the opportunity to collaborate with the Agency as Australia’s net zero transition accelerates.

Employment

The energy transition requires a large skilled workforce across every discipline, with particular opportunities in rural and regional areas.

Preliminary modelling reported by Jobs and Skills Australia showed that Australia would need 26,000–42,000 more electricians in the next seven years, with the broader clean energy supply workforce likely to grow from 53,000 workers today to 84,000 by 2050.¹⁵ Additional analysis from AEMO notes that the demand for skilled people directly employed to build and maintain energy infrastructure is forecast to increase from approximately 36,000 in 2025 to more than 60,000 across the horizon to 2050.¹⁶

As an investor, the CEFC does not directly make employment decisions at the project level, which is a matter for project proponents. Reflecting our role as a specialist investor on behalf of the Australian Government, we seek to use our capital to indirectly influence positive outcomes through our investment deliberations.

This approach is applied to RTN Fund investment commitments. Measures include the application of Australian Industry Participation Plans and the Buy Australian Plan. Where practical, through our RTN Fund investment commitments, we also encourage counterparties to increase the use of local content in the deployment of clean energy technologies.

15. Jobs and Skills Australia, *The Clean Energy Generation: workforce needs for a net zero economy*, Australian Government, 2023.

16. AEMO, *2024 Integrated System Plan*, AEMO, 2024.

Consumer electricity costs

In making RTN Fund investment commitments, the CEFC Board is required to consider measures which can benefit electricity consumers, including through the use of concessional finance.

Consumer benefits may include:

Enabling the delivery of lower cost renewable energy to replace coal generation, recognising that delays in priority grid projects increase the likelihood of supply disruptions.

Working with energy market regulatory agencies, including the AEMC, as rule maker, and the Australian Energy Regulator, as regulator, to reduce the cost to consumers of the large-scale grid buildout.

Assisting transmission providers to undertake large-scale projects by addressing financeability issues that arise due to the significant scale of these projects relative to the current size of transmission company balance sheets.

Future proofing the grid to realise scale efficiencies, by supporting a larger 'upscaled' buildout for specific projects so they can accommodate future demand growth as additional low-cost renewable generation becomes available.

Moderating the impact of global supply chain bottlenecks on critical transmission equipment with early-stage financing arrangements to enable bulk purchasing at an earlier stage in the project delivery.

Community engagement

In investing through the RTN Fund, the Investment Mandate requires the CEFC to consider, where practical, the essential role of social licence matters in the successful deployment of clean energy technologies as part of the transaction process.

Government planning authorities, project owners and developers have the leading role in community engagement, from approvals through to construction and delivery.

The Australian Government has accepted in principle the recommendations of the AEIC independent Community Engagement Review on renewable energy infrastructure developments related to Australia's energy transition. The recommendations canvass improvements to site selection, planning and approval processes, and noted the importance of keeping communities informed about the energy transition and equitably sharing the benefits.

As an investor, the CEFC welcomes these recommendations, which inform our investment deliberations. Across our portfolio, we work with our counterparties to extend the benefits of our capital beyond a specific investment, including where we do not own or operate the relevant assets.

First Nations investment screening

CEFC investment proposals are screened for impacts on Aboriginal and Torres Strait Islanders through the CEFC First Nations Screening Approach. These considerations also form part of our RTN-related investment decisions. As part of our screening approach we seek to:



Identify and assess the impacts of CEFC investments on First Nations people.



Positively benefit First Nations people through CEFC and counterparty activities.



Avoid or mitigate negative impacts that may be associated with these investments.

Where we invest

Household Energy Upgrades Fund

Purpose

The Household Energy Upgrades Fund (HEUF) began its first year of operation in the 2023–24 year on 1 December 2023, with the \$1 billion fund designed to fast-track the retrofit of greener and more sustainable homes Australia-wide.

By “crowding in” additional private capital, alongside HEUF capital, the CEFC aims to deliver a catalytic outcome, providing low-cost financing together with private financial institutions for home upgrades that improve energy performance.

Fast-tracking household sustainability

HEUF finance specifically targets energy improvements to existing dwellings, which are less likely to feature best practice building, energy efficiency, and heating and cooling options. While newly constructed dwellings on vacant land are not eligible for HEUF finance, the Fund can support knock-down-and-rebuild projects where there is a substantial improvement to the energy performance of the prior residential property.

Working with households to lower their carbon footprint is a critical factor in achieving net zero emissions by 2050, underpinned by an 82 per cent renewable energy grid by 2030. Australia’s existing 11 million homes are responsible for more than 10 per cent of total emissions and around 25 per cent of electricity consumption. In this context, the provision of discounted finance and a choice of eligible technologies, has the potential to significantly impact consumer behaviour.

The CEFC is an experienced investor in cleaner, greener housing, most particularly via small-scale asset finance and discounted green home loans delivered via our co-financiers. CEFC capital is also lifting sustainability across the broader residential sector, including community housing, build-to-rent and master-planned communities, seniors living and student accommodation.

Consultation and collaboration

In establishing the HEUF, the CEFC benefited from broad collaboration with key stakeholders, including representatives from finance, industry, think tanks, advocacy groups, the consumer sector and governments. This collaborative approach yielded important insights that have shaped the financing approach:

Consumer prioritisation: Many Australian homes are inefficient in terms of energy performance and thermal comfort. People who live in homes that require a lot of energy to heat and cool are also more vulnerable to extreme temperatures and energy price fluctuation.

Role of consumer journey: Navigating the home energy upgrade installation process can be a challenge for many households. Co-financiers can play an important role in supporting their customers in making home energy technology decisions that suit their homes and budgets by supporting their customers in navigating the complex home energy ecosystem while offering discounted interest rates on the consumer loans.

Investment opportunities: While green consumer loans and related finance products are an emerging area of finance in the Australian market, they have yet to achieve scale. The HEUF aims to help establish market interest in these products, and also increase the diversity of products addressing the enhanced energy performance of existing homes alongside affordability.

Eligible technologies

The HEUF features a broad approach to eligible technologies, providing flexibility for borrowers, and creating scope for new and emerging technology solutions where these reduce household emissions. In assessing the eligible technologies, the CEFC has prioritised those technologies with the potential to deliver the largest benefits to households, in terms of reduced energy consumption and/or lower emissions. The scope of eligible technologies also helps extend the relevance of HEUF finance to a broad range of households, recognising that existing dwellings will have specific sustainability needs.

Figure 2: HEUF eligible technologies 2023–24

Energy generation and storage

- Solar PV modules
- Inverter
- Battery
- Solar hot water system

Heating and cooling

- Double-glazed windows
- Insulation
- Air conditioner
- Ceiling fan
- Hot water heat pump

Various

- Electric vehicle (EV) charger
- Energy monitoring system
- Pool pump
- Induction cooktop

Notes:

Solar-only financing options may be considered where they address specific hard-to-reach market segments, (such as renters, low income households or strata complexes). Generally, HEUF finance for solar requires the installation of other clean energy and/or energy efficiency technologies.

The eligible technologies list is updated regularly in response to market and technology developments.

Market interest

The CEFC conducted extensive industry and stakeholder engagement on the HEUF during the reporting year. An inaugural Request for Proposal process for HEUF capital identified strong market interest, including proposals for more than \$850 million in potential green loans from 16 financiers.

A wide range of financiers, including major banks, mutual banks, non-banks and fintech innovators expressed interest in extending the HEUF capital to their customers, including via green mortgages, green personal loans and other innovative green finance products. At the time of reporting, the CEFC was working with a range of co-financiers to formalise additional investment commitments in the near term.

Finance arrangements

The HEUF is structured so that the CEFC can leverage the consumer reach and lending capability of Australian financiers to offer discounted consumer loans direct to their customers. Accordingly, the CEFC is not offering discounted consumer loans directly to consumers. The preferred minimum CEFC investment per HEUF co-financing transaction has been set at \$20 million. The CEFC does not have a preferred maximum investment size. As with all CEFC investment commitments, HEUF-related investments are subject to CEFC Investment Policies and CEFC Board approval.

CEFC HEUF-related investment activity is likely to be limited to debt financing, investing on market terms and returns, with any discounts to be passed onto the end customer and towards unlocking barriers to the uptake of clean energy technologies. Other forms of finance may be considered where there is potential to unlock concessional loan finance for consumers.

Consumer-centric

In assessing co-financing proposals, the CEFC requires a customer-centric approach, including the development of a framework to establish and build positive consumer experiences, and mitigate matters of consumer risk. The CEFC is prioritising proposals that have additional public policy outcomes, which may include (although are not limited to) the longevity of the program post-CEFC support; the potential to unlock barriers to the uptake of clean energy technologies; distribution and reach; and co-contribution to household financial outcomes.

Household Energy Upgrades Fund

Our stories



Plenti

\$60 million to Australian fintech lender Plenti in June 2024 to provide cheaper finance for solar PV, home batteries and other energy efficiency upgrades via discounts on Plenti green loans of up to 2.74 per cent annually.

Eligible customers also have access to a further 0.6 per cent discount on the green loan if they sign up to a Virtual Power Plant (VPP) through Plenti's point-of-sale platform, GreenConnect, taking the eligible total discount available to 3.3 per cent annually. Plenti estimates that, at a loan balance of \$25,000, eligible customers could save up to \$3,531 in interest over seven years, compared with the Plenti standard green loan rate. The Plenti finance is being distributed through accredited and eligible equipment installers, with consumers able to unlock discounted green loan rates, longer loan terms as well as access and sign-up for exclusive VPP offerings via the Plenti GreenConnect platform. Plenti has an established track record in successfully executing clean energy focused government programs, having delivered the \$100 million South Australia Home Battery Scheme and the New South Wales Empowering Homes Program pilot. It also has significant experience delivering market leading green finance to Australian households via its extensive national accredited installer network.

[Read more on the CEFC website](#)

\$60m
CEFC commitment

\$160m

CEFC commitment

Westpac

\$160 million to support the Westpac Sustainable Upgrades Home Loan, offering eligible customers a competitive variable interest rate of 4.49 per cent per annum on loans to install energy efficient clean technologies.

Westpac owner-occupier and investor home loan customers with an existing or approved eligible loan will be able to borrow up to \$50,000, with a loan term of up to 10 years, to install new features or technology to improve sustainability, including energy-efficient appliances, batteries, EV chargers, double-glazed windows, and insulation. The first HEUF investment with a bank will see the CEFC wholesale finance combined with a significant contribution from Westpac, which aims to fund at least \$320 million worth of loans. Westpac research found that of the two thirds of Australians looking to renovate their home within the next five years, 9 in 10 would consider making a sustainable upgrade to their home. Close to 2 in 5 (38 per cent) of Australians would consider installing solar panels on their home, 1 in 4 would consider putting in solar batteries (27 per cent) or changing to solar hot water (25 per cent), and over a fifth would consider installing insulation (23 per cent) or putting in double-glazed windows (22 per cent). The research, conducted in August 2024, included 1,007 Australians in both capital city and non-capital city areas. This transaction closed just after year end and is not included in total CEFC commitment figures for the 2023–24 year.

[Read more on the CEFC website](#)



Where we invest

A clean, safe renewable hydrogen industry

Renewable hydrogen can enable the deep decarbonisation of difficult to abate sectors of our economy, particularly in transport and industry, while accelerating the contribution of renewable energy and contributing to energy efficiency. Australia has the potential to be a global hydrogen leader, potentially exporting hydrogen as well as using it to decarbonise industry.



Advancing Hydrogen Fund

Purpose

The CEFC Investment Mandate requires the Board to make available up to \$300 million in concessional finance to support the growth of a clean, innovative, safe and competitive Australian renewable hydrogen industry.

The Advancing Hydrogen Fund (AHF) focuses on projects where there is state or territory government financial support or policy alignment with the National Hydrogen Strategy. The Board must target an average return of at least the 5-year Australian Government bond rate +1 per cent per annum over the medium to long term on AHF investment commitments.

Market context

Renewable hydrogen has an important role in the decarbonisation of hard-to-abate sectors. Australia has a number of competitive advantages in the area of renewable hydrogen, and recent Future Made in Australia policy announcements (Hydrogen Headstart and Hydrogen Production Tax Incentive) create the momentum for larger scale projects to progress to final investment decision.

Concessional financing through the AHF is an important policy initiative to catalyse investment into first of kind large-scale hydrogen projects. Policy support through production credits (such as Hydrogen Headstart) and tax incentives (such as the Hydrogen Production Tax Incentive) still require upfront capital expenditure to be financed and investors to take the technology, construction, operating and revenue risks.

The private financing markets are inherently risk adverse when it comes to new technologies such as large-scale hydrogen and low carbon liquid fuel projects. The CEFC concessional finance can play an important role in corner-stoning the capital structure and crowding in additional private sector investment by taking longer-dated financing positions.

Fund update: 2023–24

During the reporting year, the CEFC continued to work closely with the Australian Renewable Energy Agency (ARENA) in delivery of the \$2 billion Hydrogen Headstart program, which aims to deliver a step change in Australia's renewable hydrogen production by underwriting some of the largest electrolyser deployments in the world.

The CEFC aims to provide complementary concessional financing for relevant Hydrogen Headstart projects. While the CEFC made no new investment commitments through the AHF in the reporting year, the CEFC committed \$11.6 million to Siltrix (formerly H2Lab), which is developing novel fuel cell bipolar plates for potential use in hydrogen electrolysers. The CEFC also increased its investment to Hysata by \$14.9 million, taking our lifetime investment in this innovative Australian green hydrogen electrolyser manufacturer to \$25.7 million.

Where we invest

Powering Australia Technology Fund

Purpose

The CEFC Investment Mandate requires the Board to make available up to \$500 million 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.

The CEFC must aim to leverage at least \$500 million from the private sector across the Powering Australia Technology Fund (PATF) portfolio.

The CEFC must target an average return of at least the 5-year Australian Government bond rate +1 per cent per annum over the medium to long term on PATF investment commitments.

Market context

Market conditions in private equity and venture capital continued to decline from the 2021-22 market peak, however indications are encouraging with emerging signals investor sentiment has stabilised, providing opportunities for PATF investments.

In Australia, private equity deal volume by dollars transacted dropped from \$64 billion in 2022 to \$13 billion in 2023, with the Australian Investment Council reporting venture capital deal volume at \$4 billion in 2023, 56 per cent off the \$9 billion market peak of 2021. Deal count at 260 deals in 2023 was down 38 per cent compared with 418 deals in 2021.

In this context CEFC has developed and is implementing a targeted investment strategy for PATF. Through a variety of investment approaches PATF is helping catalyse the flow of capital into climate tech companies and technologies via direct investments and through managed funds that bring third-party investment capital together with CEFC capital to accelerate growth and market adoption.

Fund update: 2023-24

In its first year of investment activity, PATF committed \$77 million across six new and six follow-on transactions in the climate tech space.

New transactions demonstrate the diversity of the climate tech sector, covering transportation, hydrogen and circular economy investments. Follow-on commitments saw PATF capital allocated to continue to support the growth of portfolio companies in which the CEFC had previously invested via the CEIF.



PATF investment commitments: 2023–24

Team Global Express

\$30m

CEFC commitment

\$30 million commitment to support one of Australia’s largest multi-modal transport and logistics operators to accelerate the electrification of its truck fleet, including light, medium and rigid battery electric trucks, courier vans, hybrid refrigerated trucks and mobile charging units.

Siltrax

\$11.6m

CEFC commitment

\$11.6 million commitment backing novel fuel cell bipolar plates made from silicon in place of more commonly used metal or graphite. The Siltrax (formerly H2Lab) technology has the potential to reduce fuel cell production costs, with potential use in hydrogen electrolyzers.

Renewable Metals

\$2.6m

CEFC commitment

\$2.6 million commitment to scale and commercialise groundbreaking lithium-ion battery recycling technology, including bringing forward the construction of a larger-scale demonstration plant capable of processing up to 1,500 tonnes of battery waste annually.

Xefco

\$2.5m

CEFC commitment

\$2.5 million to support scaled up manufacturing and customer trials ahead of the commercialisation of technology to reduce the use of water, energy and chemicals in the carbon intensive textile production process.

Where we invest

Clean Energy Innovation Fund

Purpose

The CEFC Investment Mandate requires the Board to make available up to \$200 million via the Clean Energy Innovation Fund (CEIF) for investments in emerging clean energy technology projects and businesses that involve technologies that have passed beyond the research and development stages but are not yet established or of sufficient maturity, size or otherwise commercially ready to attract sufficient private sector investment.

The CEFC must target an average return of at least the 5-year Australian Government bond rate +1 per cent per annum over the medium to long term on CEIF investment commitments.

Market context

While venture capital investment as an asset class has generally slowed since 2022, climate focused venture capital has benefited from a broader push towards decarbonisation, spurred by industry and private sector net zero commitments, as well as Australian and international targets, policies and incentives.

Over the first three quarters of the financial year to 30 June 2024, climate tech had the largest number of venture financings of any sector in Australia, falling to second behind the artificial intelligence sector in the last quarter (with 10 funding rounds for a total of \$344 million raised in the June quarter).¹⁷

Virescent Ventures

The CEIF portfolio is managed for the CEFC by Virescent Ventures, Australia's largest and most active dedicated climate tech venture capital fund manager. Virescent Ventures also manages certain early-stage climate tech investments via the PATF. At the end of the 2023-24 reporting year, Virescent Ventures was managing more than \$230 million in CEFC capital across 32 climate tech businesses, funds and innovators.

Capital raise

Virescent Ventures, spun out of the CEFC in 2022, reached first close on its Virescent Ventures Fund II just after year end. CEFC committed in excess of \$30 million to Fund II, via the PATF. Virescent Ventures expects to advise the market of further investors in the fund early in the 2024-25 year.

Fund II will invest across the same key areas of clean energy transition, food and agriculture, mobility and smart cities, and circular economy and industry, as well as exploring opportunities in climate resilience and adaptation.

17. Cut Through Venture, *Cut Through Quarterly: Australian Venture Capital Funding Report, Q2 2024*, Something Ventured Pty Ltd, 2024.



CEIF investment update: 2023–24

Hysata

\$25.7m

Lifetime commitment

The Australian green hydrogen electrolyser manufacturer closed a \$172 million (US\$111 million) Series B raise with strong backing from existing investors, including \$14.9 million from the CEFC. Hysata will use the funding to expand production capacity at its manufacturing facility in Wollongong, and further develop its technology as it focuses on reaching gigawatt scale manufacturing.

Samsara Eco

\$9.1m

Lifetime commitment

The Australian company developing enzymes for infinite plastic recycling closed a \$100 million Series A+ round with strong backing from existing investors. The CEFC was an early investor in Samsara Eco, supporting the development of its ground-breaking technology which has the potential to recycle millions of tonnes of plastic waste, tackling a critical source of landfill emissions.

Relectrify

\$9m

Lifetime commitment

A world leader in battery cell-level control electronics and software, the company closed an oversubscribed \$17 million funding round, including \$2.8 million in additional capital from the CEFC. The Relectrify CellSwitch technology has achieved game-changing performance improvements for energy storage assets.

Sunman

\$34.4m

Lifetime commitment

The innovative company continued the rapid deployment of its lightweight flexible solar panels, which enable solar deployment onto factories, warehouses and other buildings that otherwise cannot support the load of heavier glass panels. The company raised a further \$30 million (US\$20 million) during the year, including \$14.8 million in additional capital from the CEFC.

Portfolio overview

A diverse portfolio



The CEFC portfolio demonstrates the diversity of emissions opportunities in the Australian economy and the impact of our investments in decarbonising hard-to-abate sectors.

Continued portfolio strength and diversity

The CEFC portfolio continued to perform well overall through 2023–24, with some notable achievements and demonstrated resilience to macroeconomic, geopolitical and investment specific factors.

The CEFC investment-specific portfolio reflects our long-term investment horizon and parallel commitment to secure a positive return across our investments. During the 2023–24 year, we saw continued portfolio strength and diversity evidenced by the \$608 million increase in our deployed portfolio, even after receiving more than \$675 million in capital repaid or returned to the CEFC during the year.

Portfolio composition

Debt
68%

Equity**
32%



* On-risk investment commitments at 30 June 2024.

** Includes managed funds.



The makeup of the portfolio provides insights into the diverse nature of the emissions opportunity and the breadth of the CEFC investment approach, across more than 350 large-scale transactions since we began investing. CEFC capital continued to influence emissions outcomes in key sectors as portfolio companies achieved significant development milestones and garnered independent recognition for their leadership and innovation in emissions reduction.

Portfolio overview

Portfolio Themes: 2023-24



The tightening engineering, procurement and construction market.

is leading to a re-allocation of risk and pricing towards project proponents across the property, infrastructure and energy sectors. This is amplified for large projects where there are a limited number of prime contractors but multiple projects competing for skilled resources in the Australian market amidst global supply chain constraints. As such, the risk of construction delays, inflationary impacts on project costs and the financial strength of contractors remains a key area of focus. The CEFC has sought to overcome some of these industry challenges by providing finance for early works/procurement to facilitate timely delivery of key grid projects in the RTN Fund.



Increasing awareness of, and activity by, project proponents and industry is reinforcing the importance of **social licence and community engagement.**

For the CEFC, this is particularly relevant for renewables and transmission projects in regional areas.



Corporate net zero targets continue to underpin demand for green power and carbon offsets in the short to medium term while technology solutions are developed to address the **hard-to-abate sectors.**

Increased scrutiny will ensure credible products and practices prevail. To this end, CEFC natural capital investments seek to demonstrate the complementarity of regenerative agriculture and environmental plantings with existing on-farm practices for more

sustainable land use

and potential co-benefits of supplementary farm income.



Mandatory climate disclosures, and in particular, reporting on financed emissions by investors, will **drive capital into financing reduced emissions.**

The CEFC is focusing on decarbonising hard-to-abate sectors in areas such as hydrogen use cases, low carbon liquid fuels and sustainable land use. This requires concerted policy support and strategic investment globally in regional areas.

Highlights

Renewables sector

Lower merchant pricing, economic and/or grid curtailment remained challenging in certain areas. The CEFC continued to work constructively with stakeholders through periods of volatility.

Several projects were refinanced or were in the process of being refinanced during the year as part of broader portfolio financings with major sponsors, continuing a trend over the last couple of years as portfolios mature. This offers diversification benefits across operating, construction and development projects, technologies and geographies. It also provides the lending market with confidence to invest in newer revenue/contracting models and, for the CEFC, an opportunity to recycle our capital for greater impact.

Property

A number of projects in the broader CEFC property portfolio were successfully refinanced post construction, demonstrating market support for high-quality, energy efficient, sustainable residential facilities spanning social and affordable housing, student accommodation and build-to-sell townhouses.

Transmission

An ongoing focus for the CEFC portfolio is effectively managing our capital in priority transmission projects to facilitate the buildout of renewables and thus deliver on our RTN investment mandate and Australia's renewable energy and emissions reduction targets. These investments are on an unprecedented scale, requiring a multi-disciplinary approach and significant stakeholder and asset management by the CEFC.

Milestones and achievements



Powerlink completed the construction of transmission infrastructure that will unlock greater renewable energy capacity in the Southern Downs REZ in Queensland. The connection works included two 330 kV switching stations, 65 km of new 330 kV transmission lines and 165 towers.



New England Solar Farm and Stubbo Solar Farm assets **successful in AEMO Round 1 Long-Term Energy Service Agreements** tender process; Blind Creek Solar Farm and Battery secures NSW Department of Planning and Environment approval.



The Kooragang Island Decarbonisation Project opened, as part of Orica's long-term strategy to substantially reduce emissions associated with the production of ammonium nitrate.



Hysata opened its **high-efficiency electrolyser manufacturing facility** and headquarters in Port Kembla, NSW, marking the next phase of its scaleup journey.



Wilga Farming Platform awarded Global and Asia Pacific **Farmland Deal of the Year** by Agri Investor.



MicroTau selected by the United States Department of Defence to conduct flight testing of its riblet film which improves aircraft fuel efficiency; also named **Innovator of the Year** by the Australian Aviation Awards.



Quay Quarter Tower named **Best Tall Building Worldwide** by the World Council of Tall Buildings.

New commitments 2023-24

The CEFC completed 24 new and 18 follow-on transactions in the 12 months to 30 June 2024, committing an additional \$1.8 billion to transactions with a total value of \$9.3 billion.

Transaction	Borrower/investee	Purpose	Capital source ¹	CEFC commitment
1 NSW EnergyCo	Energy Corporation of New South Wales	Land acquisition and biodiversity offsets to accelerate delivery of the Central-West Orana REZ	RTN	\$490m
2 Golden Plains Wind Farm Stage 2	Golden Plains WF2 Finance Pty Ltd	Stage 2 of the 1,333 MW Golden Plains Wind Farm in Victoria developed by TagEnergy	GP	\$127.5m
3 AEMO VNI West (Victoria)	Australian Energy Market Operator Limited	Debt finance for early works for the Victorian portion of the VNI West interconnector with NSW	RTN	\$120m
4 Liontown²	LRL (Aust) Pty Ltd	Liquidity debt finance for the ramp up of Kathleen Valley Lithium Project in WA	GP	\$110m
5 Goyder Wind Farm and Blyth Battery BESS	Goyder Wind Farm 1B Pty Ltd, Blyth Battery Pty Ltd	Goyder South Wind Farm and the Blyth Battery to help decarbonise BHP Olympic Dam operations	GP	\$102.4m
6 Ampol Clean Energy Projects	Ampol Limited	Debt finance for Ampol biofuel, electric and hydrogen vehicle refuelling infrastructure	GP	\$100m
7 NSW Scheme Financial Vehicle	Scheme Financial Vehicle Pty Ltd	Senior debt facility to deliver clean energy projects under the NSW Electricity Infrastructure Roadmap	RTN	\$100m
8 New Forests Landscapes and Forestry Fund	Australia New Zealand Landscapes and Forestry Fund	Equity investment in New Forests plantation forestry to support carbon sequestration and sustainability	GP	\$75m
9 Flinders Port	Flinders Port Holdings Pty Ltd, Flinders Ports Pty Ltd	Debt finance for decarbonisation initiatives for port and stevedoring infrastructure in SA	GP	\$70m
10 Plenti	Plenti RE Limited	Discounted finance for sustainability improvements for existing homes	HEUF	\$60m
11 Neoen Portfolio Refinance	Wattle FinCo Pty Ltd	Debt finance for a 1.5 GW portfolio of Neoen renewable energy assets	GP	\$60m
12 Angle Auto Finance	Spectre Growth Warehouse Trust No.1	Floorplan finance for Angle Auto Finance to sell more electric vehicle models	GP	\$50m
13 Intellihub	Intellihub Ltd, Intellihub Holdings Pty Ltd	Rollout of smart technology solutions to help consumers better manage their energy consumption	GP	\$50m
14 Metro Finance Pty Ltd	Perpetual Corporate Trust Limited	Discounted MetroEco business loans for the purchase of electric vehicles, solar PV, batteries and energy efficient machinery	GP	\$50m

Transaction	Borrower/investee	Purpose	Capital source ¹	CEFC commitment
15 Plenti PL-Green ABS Trust 2024-1	Plenti PL & Green ABS Trust 2024-1	Discounted loans through Plenti for solar PV and batteries for residential and commercial properties	GP	\$44m
16 Team Global Express	Team Global Express Pty Ltd	Debt finance to accelerate the electrification of the Team Global Express vehicle fleet	PATF	\$30m
17 ETSA Utilities	ETSA Utilities Finance Pty Ltd	Green bond to provide finance supporting the SA transition to a decarbonised energy system	GP	\$28.5m
18 AEMO bond	Australian Energy Market Operator Limited	Senior unsecured note to provide finance for new grid infrastructure and related services	GP	\$24m
19 Siltrax	Siltrax Pty Limited	Finance for innovative technology which makes hydrogen fuel cell components lighter, more durable and more efficient	PATF	\$11.6m
20 Plenti Auto term-out ABS 2024-1 Trust	Plenti Auto ABS 2024-1 Trust	Discounted loans to encourage uptake of low emission electric passenger vehicles	GP	\$9.5m
21 Virescent Ventures Fund II	Virescent Ventures Fund II	Equity investment in a specialist climate technology fund	PATF	\$4m
22 Renewable Metals	Renewable Metals Pty Ltd	Commercialising battery recycling using a cheaper, more sustainable process for minerals and metals recovery	PATF	\$2.6m
23 Xefco	Xefco Pty Ltd	Innovative technology to increase sustainable measures in the textile sector through reduced water, energy and chemical use	PATF	\$2.5m
24 ³ DeCarice	DeCarice Pty Ltd	Early-stage finance for innovative hydrogen retrofit technology for diesel fleets	PATF	\$120k
Powour	Pelo Powr Pty Ltd	Early-stage finance for carbon footprint monitoring technology to reduce transport emissions	PATF	\$120k
SoNIA Green Technology	SoNIA Green Technology Pty Ltd	Early-stage finance for a low emissions manufacturing process for polymer modified bitumen used in road construction	PATF	\$120k
WorkbenchX	WorkbenchX Group Pty Ltd	Early-stage finance for technology to extend the life cycle of end-use industrial components via streamlined remanufacturing process	PATF	\$120k

Notes:

1. Capital sources: General portfolio; Rewiring the Nation Fund; Household Energy Upgrades Fund; Powering Australia Technology Fund.

2. CEFC received market-based fees on this facility despite not ultimately being drawn.

3. Transactions all via the UNSW Founders Climate 10x accelerator program.

Excludes 18 follow-on transactions, which took the total value of investment commitments in the 2023–24 year to \$1.8 billion.

Corporate plan and strategy

Strategic approach

The 2023-24 Corporate Plan was published in August 2023, 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.

Figure 3: CEFC strategic overview 2023-24



Purpose

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



CEFC Values

Impact • Collaboration • Integrity • Innovation

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

Performance statement and analysis

Annual Performance Statements

The Board, as the accountable authority of the CEFC, presents the 2023–24 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.

Delivering our purpose

We deliver on our purpose through our investment commitments, drawing in capital from other investors, consistent with the CEFC Act, Investment Mandate and Investment Policies. Our work with industry, stakeholders and government further supports national greenhouse gas reduction targets, including building market awareness of emissions reduction opportunities and contributing to the development and use of relevant standards and transparency.

Board oversight

The CEFC performance is evaluated each year by the non-executive Board, assisted by the Board Audit and Risk Committee and the Board People and Culture Committee.

The **People and Culture Committee** reviews and recommends performance indicators and targets to the Board each year that are reflected in the Corporate Plan.




The **Audit and Risk Committee** receives updates on performance on a quarterly basis throughout the year.

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

The performance evaluation is based on the indicators set out in the CEFC Corporate Plan. Indicators from the Portfolio Budget Statements (PBS) do not form part of that evaluation as those indicators were formulated prior to the organisation completing its planning for the year. However, the indicators set out in the PBS are accounted for in Appendix B and form part of these Annual Performance Statements.

Board evaluation

For the purpose of these performance statements, each performance indicator and the organisation’s overall performance, is classified into one of the three categories:

- Not achieved  Performance was **below** the performance target range for that indicator.
- Achieved  Performance was **within** the performance target range for that indicator.
- Exceeded  Performance was **above** the performance target range for that indicator.

Performance statement and analysis

For the 2023–24 year, the Board assessed the organisation’s overall performance as ‘exceeded’ with six of seven indicators reaching exceeded. The Board assigned a higher weighting to the qualitative indicators of leadership and set specific indicators for the first year of the RTN Fund.

General Portfolio and Specialised Investment Funds

1. Leadership

Demonstrate leadership in Australia’s energy transition through delivery of government priority programs, collaboration with industry, investing in new technologies, business models and supply chains, and supporting others to invest.
(Source: Corporate Plan)

↑ Exceeded

Analysis

The organisation’s position as a leader in the energy transition was demonstrated through the establishment of the Household Energy Upgrades Fund in December 2023, a successful request for proposal culminating in the first funding commitment being made in May 2024. In addition to investments made during the year, the CEFC collaborated with the Australian Government and industry in areas including the CIS, the Green Building Council of Australia’s Green Star advisory committee and was represented on the Australian Sustainable Finance Institute Taxonomy Technical Working Group. The CEFC was recognised locally and internationally, with the *Australian Financial Review* recognising CEO Ian Learmonth in its Carbon Challenge Power List 2024 and *Time Magazine* including the CEO in its TIME100 Climate list recognising the world’s 100 most influential climate leaders in business.

2. Electricity Sector Capacity

Gigawatts of new electricity generation and storage capacity unlocked through CEFC finance.
(Source: Corporate Plan)

↑ Exceeded

Performance targets and results

Target	0.75 – 1 GW
2023–24	1.2 GW

Analysis

The achievement of Australia’s emissions reduction targets is forecast to be strongly correlated with achieving emissions reduction in the electricity sector. This metric directly considers the role of the CEFC in the electricity sector. During the year, the organisation made financial commitments that supported 1.2 GW of new renewable energy generation and storage capacity. These were split between 780 MW of wind capacity and 419 MW of storage capacity. This was above the top end of the performance range of 0.75 GW to 1 GW. Our role is to support the transition where we are most required and to allow private sector financiers to step in where our support is not required.

3. Non-electricity sector CO₂-e

Estimated emissions reduction per annum from new capital commitments to non-electricity sector. (Source: Corporate Plan)

Not Achieved

Performance targets and results



Analysis

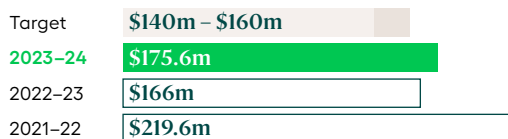
For the 2023–24 performance period, CO₂-e only covered the non-electricity sector on the basis that our impact on the electricity sector was more directly measured through the electricity sector capacity metric. Estimated annual emissions reduction from financed projects was below the bottom end of the target range. 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 2023–24, non-electricity sector emissions reductions were lower than the target range primarily due to the types of projects being financed yielding lower estimated emissions. Lower baseline emissions intensity factors in the electricity sector also adversely impact the amount of estimated emissions reduction from energy efficiency projects where efficiency relates to electricity usage. Specifically, had the 2020 emissions intensity factor been applied to the activities financed in 2023–24, estimated emissions reductions would have been 43 per cent higher than the 2023–24 result at 0.2 Mt.

4. Adjusted operating result

Total operating result (excluding RTN income and expenses) normalised to exclude: (1) concessionality, (2) loan modification charges, (3) loan and bond investment revaluations and (4) Innovation Fund investment revaluations.¹ (Source: Corporate Plan)

Exceeded

Performance targets and results



Analysis

The adjusted operating result exceeded the top end of the performance target range at \$175.6 million versus the target range of \$140 million to \$160 million. The performance target range was formed around the Board-approved management budget that planned for adjusted operating result of \$150.5 million. Compared to this value, the key contributors to the better than target performance were higher revenues (+\$18.3 million), lower operating expenses (+14.6 million) partially offset by higher realised losses and higher negative fair value adjustments (-\$7.8 million), accounting for the \$25.1 million positive variance for 2023–24.

Note:

- Adjusted operating result is a self-defined corporate performance metric and is calculated as the statutory operating result, adjusted for (1) administrative funding received from Government, (2) CEIF gains and losses, (3) concessionality and loan modification charges and unwinds, and (4) loan and bond mark-to-market revaluations.

Performance statement and analysis

Detailed results and analysis: 2023-24

Rewiring the Nation Fund

5. Leadership

Demonstrate leadership in Australia's transition through delivery the RTN Fund and collaborating with key stakeholders to facilitate the unlocking of medium- and longer-term RTN projects, consistent with the Investment Mandate. (Source: Corporate Plan)

 **Exceeded**

Analysis

The Board recognises that projects anticipated under the RTN Fund are significant infrastructure investments that will be delivered over multiple years. Therefore, single-year qualitative analysis is unlikely to capture the full extent of performance in this portfolio. The Board has assessed the organisation's performance at an exceeded level on account of the strong progress made during the year on five priority transactions, along with the progress made on the Marinus Link project where the CEFC has worked collaboratively with project owners being the Australian, Victorian and Tasmanian Governments. The CEFC, along with other industry participants, also contributed to consultations with the AEMC and during the later part of the year the AEMC published final determinations on "Accommodating financeability in the regulatory framework", "Sharing concessional finance benefits with consumers" and "Expanding the transmission ringfencing".

6. Transaction quality

Structure and execute RTN Fund investments in a manner consistent with the RTN Fund objectives and the risk, return and concessionality settings of the Investment Mandate. (Source: Corporate Plan)

 **Exceeded**

Analysis

The Board established this performance metric recognising that the RTN Fund was designed as a concessional financing facility, with the Investment Mandate further requiring the application of commercial rigour when evaluating financing requirements for each project. The Board assessed the performance in this area at an exceeded level on account of the high credit quality of the initial transactions coupled with the amount of concessional finance being considered appropriate in the context of the objectives of the RTN Fund.

7. Transfer capacity

Gigawatts of transmission transfer capacity commercially committed to during the year.
 (Source: Corporate Plan)

 **Exceeded**

Performance targets and results



Analysis

The RTN Fund was established to assist with the financing of the transmission infrastructure identified in the ISP and priority transmission projects in non-NEM States and Territories. Transmission capacity allows for electricity to be moved from where it is generated to where it is used. 2023–24 was the first year of operation of the RTN Fund. When fully constructed and commissioned, the underlying projects that CEFC made commercial commitments to in 2023–24 are expected to deliver 7.2 GW of additional transfer capacity, which is above the target range of 5.2 GW to 7 GW.



Governance

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Robust governance underpins our investment approach



and delivery
of our unique
purpose

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

Purpose

The CEFC is a corporate Commonwealth entity, established under the *Clean Energy Finance Corporation Act* (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 investors, innovators and industry leaders to spur substantial investment where it will have the greatest impact. This requires deep sector experience, investment expertise and portfolio strength. In operating 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 energy system 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 with respect to Board meetings.

Functions

The Board makes individual investment decisions independently of the Government. The functions of the Board, as prescribed under s14 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 CEFC's ability 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 CEFC's identity as a corporate Commonwealth entity and our 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 to Government (e.g. by reporting on investment performance and publishing investment reports and Annual Reports, and by reporting "significant matters" under s19 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 January 2024, the Board thanked retiring Board member Anthony Concannon for his service and confirmed his ongoing contribution to the CEFC RTN Investment Advisory Committee.



Steven Skala AO

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 banking. He is a Member of the Foreign Investment Review Board and completed 20 years as Vice Chairman Australia of Deutsche Bank AG in September of this year.

Prior to 2004, Mr Skala served as a partner focusing on commercial, corporate and corporate financing law in two leading Australian law firms for more than 20 years. 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 ABC, a Director of the Channel Ten Group, Max Capital Group Ltd, the Walter & Eliza Hall Institute of Medical Research and the Australian Ballet, and a founding panel member of Adara Partners (Australia) Pty Ltd.

Mr Skala currently Chairs the Heide Museum of Modern Art, is Honorary Life Governor of the General Sir John Monash Foundation, a Director of The Centre for Independent Studies and a Member of the International Council of the Museum of Modern Art, New York.

Mr Skala holds BA and LLB (Hons) degrees from the University of Queensland and a BCL from the University of Oxford. Mr Skala 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.



Matt Howell

Additional Board Committee responsibilities

People and Culture Committee
Chair

Mr Howell has more than 37 years' international experience in energy intensive base and precious metals smelting. He is a Non-executive Director with Mineral Carbonation International Pty Ltd, and a former member of the Commonwealth 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.

Appointed 14 May 2022 for five years.



David Jones AM

Additional Board Committee responsibilities

Audit and Risk 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, Chair of both DTS Capital and the Derwent Search Advisory Board and an advisor to Alium Capital Management.

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 8 April 2022 for five years.



Andrea Slattery

Additional Board Committee responsibilities

People and Culture Committee
Member

Audit and Risk Committee
Member

Mrs Slattery is a recognised leader in Australia's financial services, environment and energy transition, infrastructure and investment sectors. As an experienced global independent non-executive director, Mrs Slattery has served on boards, board committees and advisory committees in public, private and government sectors.

Mrs Slattery is a Non-executive Director of AMP Limited and AMP Bank and previously chaired their respective Audit Committees and then ESG and Sustainability Advisory Group, is a Non-executive Director of Infrabuild Limited and Chair of the Audit and Risk Committee, is Deputy Chair of the Woomeera (Prohibited) Area Advisory Board and a member of the AMP Foundation.

Mrs Slattery was previously on the boards of Argo Global Listed Infrastructure, Centrepoint Alliance, AMP Life, National Mutual Life, the South Australian Cricket Association; as well as government advisory committees including Innovation Advisory Group and Industry Infrastructure.

As a MD/CEO, she led the seven-fold transformational growth of the Self-Managed Super Fund (SMSF) industry as founder and former Managing Director/CEO of the SMSF Association.

Mrs Slattery has a Bachelor of Accounting, a Master of Commerce, is a fellow of Certified Practising Accountants Australia, a fellow of CAANZ, a fellow SMSF Specialist Advisor, a fellow of the Australian Institute of Company Directors and holds a Global Competent Boards ESG Designation. She was named Australian Woman of the Year in the Australian Women in Financial Services Awards in 2014.

Re-appointed 5 October 2022 for five years.

Board members



Ms Tough is Pro Vice Chancellor Industry and Commercial at the University of Western Australia and combines that with key industry board roles including Chair of Horizon Power, Director of Aurizon Holdings Limited and Rumin8 Pty Ltd.

Ms Tough's previous roles have included Chair Retail Energy Market Co, Structerre, Aerison, Southern Cross Goldfields Ltd, National Energy Selection panel 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.

Ms Tough has held executive roles at 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.

Samantha Tough

Additional Board Committee responsibilities

RTN Investment Advisory Committee
Member



Ms Wakefield Evans is a Non-executive Director of Lendlease Corporation and Viva Energy. 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 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, technology and media and communications. 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.

Nicola Wakefield Evans AM

Additional Board Committee responsibilities

Audit and Risk Committee
Chair

RTN Investment Advisory Committee
Member

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.

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 Corporations 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 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; and receives regular reports on work health and safety (WHS) performance and emerging areas of employment law.

🔗 [Read more about the People and Culture Committee 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 the CEFC role in contributing to the delivery of Australian Government RTN policy objectives. The Committee is made up of selected 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, taking into account 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 a number of relevant projects were referred to the Committee for review.

🔗 [Read more about the RTN Investment Advisory Committee on the CEFC website](#)

Board

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 4: Board committee memberships 2023-24

Board Member	Audit and Risk Committee	People and Culture Committee	RTN Investment Advisory Committee
Steven Skala AO (Chair)			Chair
Matt Howell		Chair	
David Jones AM	Member		
Andrea Slattery	Member	Member	
Samantha Tough			Member
Nicola Wakefield Evans AM	Chair		Member
Anthony Concannon Until: 31 January 2024		Member Until: 31 January 2024	Member Ongoing

Board member meeting attendance

During the year, the Board held nine 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 5: Board member meeting attendance 2023-24

	Meeting attendance		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)	9	9	5*	5	4*	5	3	3
Matt Howell	9	9	3*	5	5	5	2*	3
David Jones AM	9	9	5	5	5*	5	3*	3
Andrea Slattery	9	9	4**	5	5	5	2*	3
Samantha Tough	9	9	1*	5	0*	5	3	3
Nicola Wakefield Evans AM	8	9	4	5	1*	5	2	3
Anthony Concannon	5	5	1*	3	2*	2	2	3

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

** Includes one committee meeting as acting Chair.

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 6.

Figure 6: Indemnities and insurance premiums for 'officers': 2023–24

Indemnity/insurance	Officers covered	Coverage period	Premium/fees
Comcover Insurance for Directors' and Officers' Liability	All Board members and Officers	1 July 2023 to 30 June 2024	\$30,281
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 2023 to 30 June 2024	\$61,013
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 required of Commonwealth entities.

Executive

Role of the Executive

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

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.

Management 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 Management Committee

This Committee provides oversight and management of the CEFC portfolio of existing investments. In doing so, it provides asset management support to the Board through the CEO.

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.

Investment committees

The CEFC has three investment committees to consider transactions: Executive Investment Committee; Impact 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 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 investments¹ and provides investment decision support to the Board through the CEO

Impact Investment Committee

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

Joint Investment Committee

This Committee 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 Impact Investment Committee or Joint Investment Committee.

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. He is a director of venture capital firm Virescent Ventures and has been a long-standing director of Sydney's Belvoir Street theatre company.



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. 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.

Executive Team



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 and 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.

Sara Leong

Chief Asset Management Officer



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.

Rory Lonergan

Chief Investment Officer
Infrastructure and Alternatives



Mr McCartney leads the specialist Rewiring the Nation Fund, Alternative Fuels and WA/Resources 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, critical minerals, 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.

Paul McCartney

Chief Investment Officer
Rewiring the Nation



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 has more than 25 years' experience across senior human resource roles in the energy, resources, financial services, IT and telecommunications sectors. She has designed and implemented large change initiatives that have accelerated the execution of business strategy within Australian and global organisations. 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 Scholar, holds a Bachelor of Science with Honours in Psychology and a Master of Commerce in Organisational Behaviour from the University of NSW.



Monique Miller

Chief Investment Officer
Renewables and Sustainable Finance

Ms Miller leads the CEFC team responsible for the origination and execution of investments in renewables and sustainable finance, overseeing transactions in the areas of renewable energy, storage and debt markets. This includes the \$1 billion Household Energy Upgrades Fund. Ms Miller has more than 20 years' experience in clean energy and environmental finance. Prior to joining the CEFC, Ms Miller worked at Macquarie Bank and Baker McKenzie in Sydney and London, with extensive experience in renewables and carbon investment and structuring, international emissions trading and policy advice. Ms Miller holds a Bachelor of Arts/Law degree with Honours from the Australian National University and is a Graduate Member of the Australian Institute of Company Directors.



Andrew Powell

Chief Financial Officer

Mr Powell leads the CEFC finance team which is responsible for the overall financial performance and strategic financial direction of the CEFC. 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 has previously held the role of Senior Vice President of Finance for then NASDAQ-listed Symyx Technologies, Inc. and senior roles with EY (Ernst & Young) in both Australia and the United States. 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.

Executive Team



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.

Jay Tolson

General Counsel and Company Secretary



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

Craig Whalen

Chief Risk Officer

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

We're driven to make a positive impact

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

Collaboration

We harness the power of many

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

Integrity

We work openly and honestly

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

Innovation

We're explorers of new frontiers

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

Code of Conduct and Ethics

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

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

Behave

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

Act

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

Behave

honestly, fairly and with integrity and treat others with respect and equity.

Identify

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

Respect

and maintain privacy and confidentiality.

[Read more about the CEFC Code of Conduct and Ethics on the CEFC website](#)

Organisational structure

The CEFC is structured to maximise performance consistent with the CEFC Act and Investment Mandate. Refer to Figure 7.

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 review

During the 2023-24 year, several organisational reviews were conducted to reflect progress in closing RTN transactions. Outcomes include:

Adjustments to the leadership structure of the RTN transaction team to mitigate key person risk, add technical diligence capability and to build deal leadership capacity in light of increased volume of active transmission related transactions.

Creation of a dedicated RTN asset management team, with a new Head of RTN Portfolio Management, given the complex, multi-faceted nature of these investments and significant stakeholder management

Restructure of the Government and Stakeholder Relations (GSR) function to manage engagement with Australian and State Government stakeholders, who are key to the success of the RTN program; as well as the appointment of a responsible leader for First Nations engagement.

Public Affairs function

A key change to the CEFC Executive Leadership team was the appointment of Mr Simon Every as Chief Public Affairs Officer (effective 1 September 2024), previously Head of GSR at the CEFC. This appointment reflects the importance of the Australian Government as the sole owner, funder and principal regulator of the CEFC, as well as the role of the CEFC in contributing to the development and delivery of government policy initiatives to create new opportunities for the CEFC investments to make an impact. The GSR function was renamed Public Affairs.

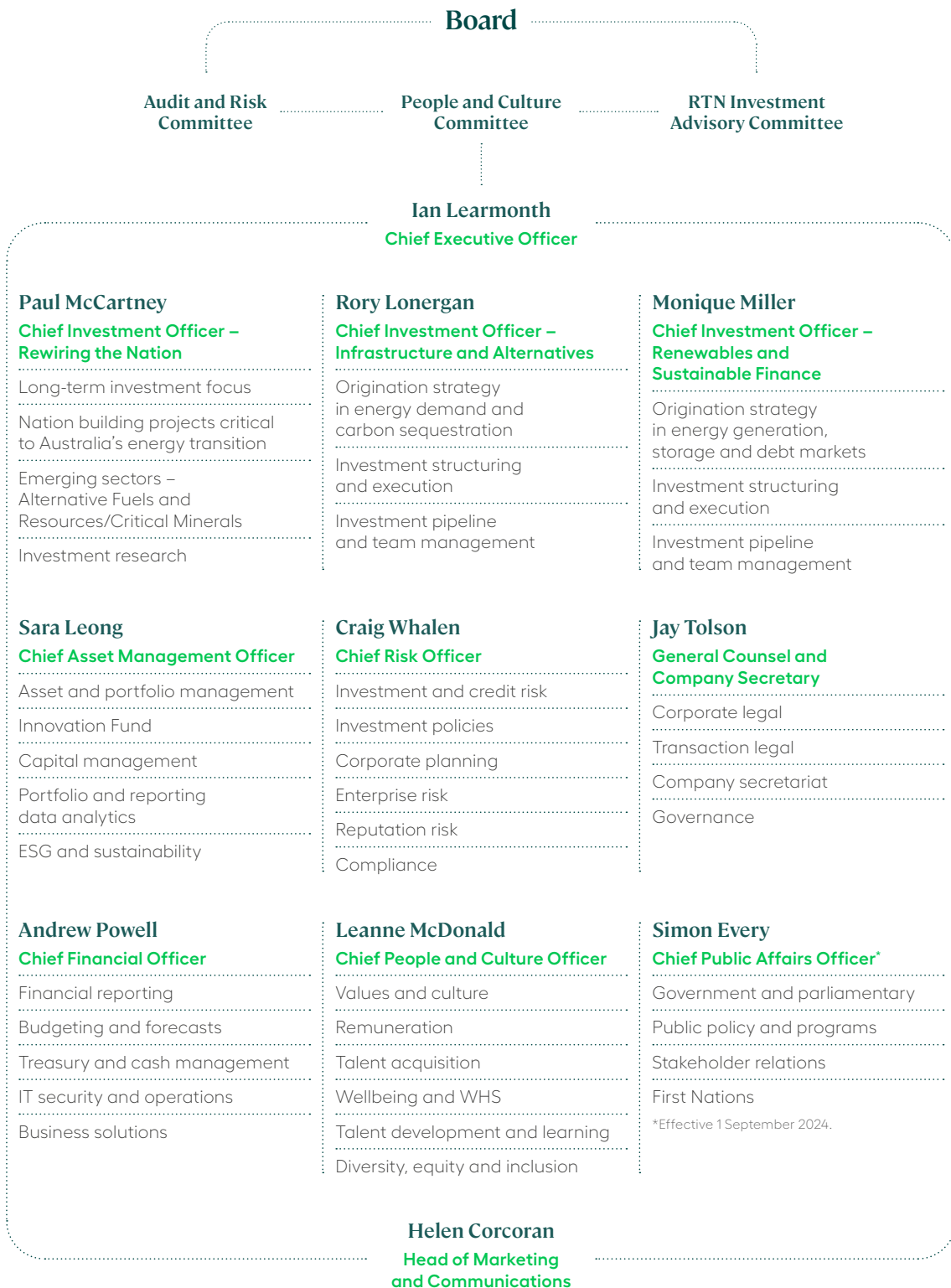
Terms of employment

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

The CEO is a statutory officer appointed by the Board, in consultation with the responsible Ministers. The balance of the Executive Team and staff are employed under terms and conditions determined by the Board. Employment relationships are formalised via individual employment agreements based on the National Employment Standards, with non-executive employees covered by the *Australian Government Industry Award 2016*.

CEFC employees receive a fixed remuneration package reviewed annually and benchmarked against data from the Financial Industry Remuneration Group. Eligible employees are invited to participate in the CEFC High Performance Incentive Plan.

Figure 7: CEFC organisational structure 2023–24



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, Impact 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, including strategic, investment and financial, operational, reputational and regulatory risks.

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.

To ensure the Board is kept informed of the status of CEFC risk and compliance, the CRO and Head of Risk and Compliance report 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. As with prior years, the internal audit function at the CEFC was undertaken by PwC for the 2023–24 year. Whilst working closely with management, CEFC internal audit 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.

In July 2024, Grant Thornton replaced PwC as internal auditor, following the sale of the PwC government business to, Scyne Advisory. PwC worked closely with management and Grant Thornton to ensure a smooth handover of the internal audit function.

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 which are regularly monitored by management and the Audit and Risk Committee.

Risk culture

Establishing and maintaining a culture where sound risk management is valued and promoted throughout the organisation continues to be a critical enabler of effective risk management. Our Values and the Code of Conduct and Ethics set the standards of behaviour we require of our people. The CEFC's culture encourages people to be proactive in identifying and reporting 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.

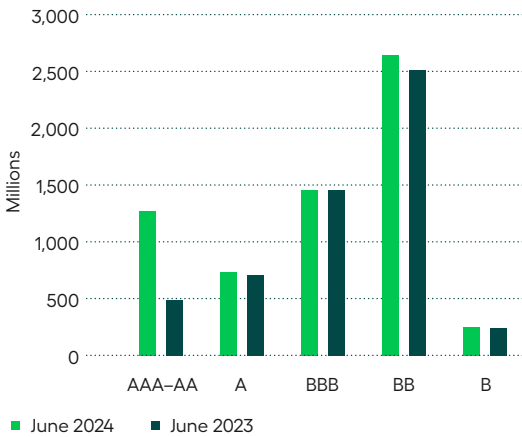
Investment risks in the RTN Fund and the Specialised Investment Funds may be higher and more concentrated, when compared with the General Portfolio. This is reflected within the Investment Mandate, and the nature of the underlying projects and assets may give rise to a higher level of residual risk.

Risk management

Credit risk profile

Figure 8 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 2023-24 when compared to 2022-23 due to some of the early RTN Fund transactions being closed with State supported entities who enjoy a strong credit rating.

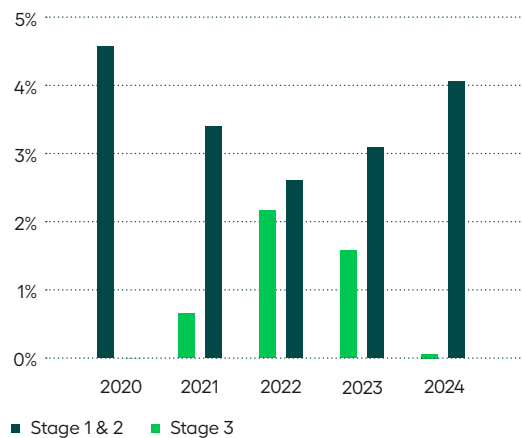
Figure 8: Credit risk profile 2023-24



Loan impairment review

Underlying credit quality for 2023-24 improved in aggregate with total provisions (Stages 1 and 2) increasing but credit impaired assets (Stage 3) decreasing. Overall, the level of provisioning and impairment reduced.

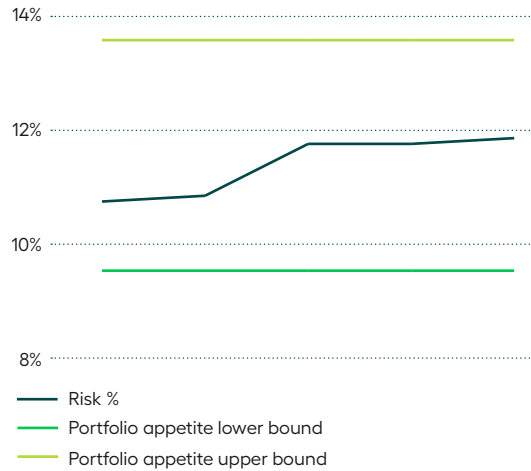
Figure 9: Loan impairment 2023-24



Aggregate risk capital

In the previous financial year, we implemented a risk capital methodology that is utilised to measure 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 2023-24 year remained steady at 11.7 per cent.

Figure 10: General Portfolio: Risk capital as a percentage of gross exposure



Non-investment risks

The key non-investment risks we manage include conduct and integrity, compliance and legal, cyber and information security, financial crime, 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 under the CEFC Act is to:

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

Specific functions of the CEFC:

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

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

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

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

Changes to the CEFC Act

During 2023–24 there were no amendments to CEFC enabling legislation.

Responsible and nominated Ministers

Under the CEFC Act, the CEFC has two responsible Ministers. During the 2023–24 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 11: Responsible Ministers 2023–24

Date	Responsible Minister
1 July 2023 to 30 June 2024	Senator the Hon Katy Gallagher Minister for Finance
	The Hon Chris Bowen MP* Minister for Climate Change and Energy
	Senator the Hon Jenny McAllister^ Assistant Minister for Climate Change and Energy
	The Hon Josh Wilson MP# Assistant Minister for Climate Change and Energy

Notes:

* Is also the nominated Minister.

^ Until 29 July 2024.

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 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).

On 20 July 2023 the responsible Ministers issued the Clean Energy Finance Corporation Investment Mandate Direction 2023 under subsection 64(1) of the CEFC Act, coming into effect 22 July 2023.

The 2023 Mandate provided new directions creating the RTN Fund, the PATF and the HEUF, i.e. the programs announced or confirmed in the October 2022 and May 2023 Budgets. It also reduced the target rate of return for the General Portfolio. No substantive changes were made to the AHF or the CEIF.²

2. As noted in the 2022–23 CEFC Annual Report, the Investment Mandate Direction 2023 removed directions relating to the Sustainable Cities Investment Program, the Reef Funding Program, and the Australian Recycling Investment Fund.

Legislative and government information

CEFC Special Account directions

Ministers may also direct the CEFC to pay surplus funds to the CEFC Special Account. During the 2023–24 reporting period, no amendments to the current directions were issued. Additional information about movements into and out of the Special Account can be found in Section 3.

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 2023–24.

Statement of compliance

The CEFC had no instances of non-compliance with Ministerial Directions (including the Investment Mandate) or GPOs in the 2023–24 year.

Judicial decisions and parliamentary committees

The CEFC is not aware of any judicial 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 or the Office of the Australian Information Commissioner during the 2023–24 reporting period. The most recent Commonwealth Ombudsman Annual Report for 2022–23 reported the CEFC as an agency that had not received any disclosures under the *Public Interest Disclosure Act 2013*.³

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 2024 Additional Estimates.

May 2024

Senate Standing Committees on Finance and Public Administration report on the Net Zero Economy Authority Bill 2024 [Provisions] and the Net Zero Economy Authority (Transitional Provisions) Bill 2024 [Provisions].

November 2023

House of Representatives Standing Committee on Industry, Science and Resources report: 'Sovereign, smart, sustainable: Driving advanced manufacturing in Australia'.

October 2023

Trade and Investment Growth—Joint Standing Committee report on Australia's trade and investment opportunities in a global green economy.

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

June 2024

Senate Environment and Communications Legislation Committee report into the Climate Change Amendment (Duty of Care and Intergenerational Climate Equity) Bill 2023.

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

3. Commonwealth Ombudsman, *2022–23 Annual Report*, Australian Government, 2023, Appendix 8, Table 33, p 138.

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 2023–24 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 2023–24, notable examples included assisting DCCEEW, and other relevant departments and portfolio agencies, with aspects relating to the opening of the HEUF, the rollout of the CIS, and the formulation of the Australian Government's Future Made in Australia program including the expanded Hydrogen Headstart program and Production Tax Incentives.

As a corporate Commonwealth entity, the CEFC is not formally bound by other Australian Government policies, including 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.

During the 2023–24 reporting period, this was evident with respect to the Public Sector Workplace Relations Policy 2023. In late 2023, the Australian Public Service (APS) finalised a statement of 59 common conditions as an outcome of its enterprise bargaining process. Although the CEFC as a non-APS agency is not obligated to adopt these conditions, all new common conditions were reviewed to determine applicability to the CEFC, in the context of aligning with the public sector while remaining competitive with financial institutions. For example, the Australian Public Service paid parental leave provisions were used as a key input to the revision to CEFC's Parental Leave Policy during 2023.

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 2023–24 year, including:

An expanded CIS to support 23 GW of renewable capacity and 9 GW of clean dispatchable capacity across Australia.

A New Vehicle Efficiency Standard to apply to new light vehicles sold from 2025, saving consumers money and cutting emissions.⁴

Progress in the development of a Sustainable Finance Strategy, including mandatory climate-related financial disclosure requirements for large companies and financial institutions.

Complementary to this is the Commonwealth Climate Disclosures scheme which will apply to Commonwealth entities, including the CEFC.

The Future Made in Australia plan, aimed at encouraging and facilitating private sector investment needed to make the most of opportunities in the net zero global economy.

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

4. Department of Infrastructure, Transport, Regional Development, Communications and the Arts, '[New Vehicle Efficiency Standard](#)', accessed 24 September 2024.

Legislative and government information

Procurement

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. Refer to Figure 12.

Figure 12: CEFC procurement contracts in place: 2023–24

Contract date	Value \$	Expensed in 2023–24 \$	Contracting party	Purpose of contract
March 2021	5,890,131	1,177,505	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	875,365	589,258	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	397,600	113,300	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	301,298	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	833,226	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	383,517	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
May 2023	154,816	41,184	Kroll Australia Pty Ltd	Valuation review of direct equity investments for the three years ending 30 June 2023 to 30 June 2025
July 2023	407,889	407,889	Australian Government Comcover	General, professional indemnity, D&O, property including business interruption and travel insurance for the period 1 July 2023 to 30 June 2024
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	820,159	460,321	Bloomberg Australia Pty Ltd	Bloomberg terminals for the year to June 2024 and BloombergNEF Anywhere Service contracted from July 2024 to June 2026

Contract date	Value \$	Expensed in 2023–24 \$	Contracting party	Purpose of contract
July 2023	167,367	167,367	Brennan IT Pty Limited	Purchase of computer hardware, applications licensing and IT support services
July 2023	320,233	320,233	Datacom Systems Pty Ltd	IT support, applications licensing and IT hardware procurement for the period 1 July 2023 to 30 June 2024
July 2023	129,714	1,056	Designate Group Pty Ltd	Design, development and production of the 2022–23 CEFC Annual Report and development of marketing-related materials
July 2023	128,700	128,700	DQT Systems Pty Ltd	Technical web services support for external facing website
July 2023	88,181	88,181	Herbert Smith Freehills	Legal fees incurred for various investment projects for the period 1 July 2023 to 30 June 2024 and winding up of subsidiary Clean Energy Investment Management
July 2023	185,746	185,746	Johnson Winter & Slattery	Legal fees incurred for various investment projects for the period 1 July 2023 to 30 June 2024
July 2023	334,929	334,929	King & Wood Mallesons	Legal fees incurred for various investment projects and advice on the competition for the period 1 July 2023 to 30 June 2024
July 2023	80,811	80,811	Norton Rose Fulbright Australia	Legal fees incurred for employment advice and CEFC Modern Slavery Statement
July 2023	362,534	319,084	Power Productivity Pty Ltd (E&M Mackay Investments Pty Ltd T/A Mackay Family Future Trust)	RTN technical engineering and costing review consultancy services
July 2023	280,500	280,500	PricewaterhouseCoopers	Internal Audit engagement for the period 1 July 2023 to 30 June 2024
July 2023	1,148,405	1,148,405	QBT Pty Ltd	Work travel and accommodation costs for period 1 July 2023 to 30 June 2024 under the whole of government travel procurement program
July 2023	104,317	86,296	S&P Global Market Intelligence LLC	Annual access to S&P intelligence platforms
July 2023	825,178	297,392	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
July 2023	100,525	100,525	Telstra Limited	Mobile and data services for the period 1 July 2023 to 30 June 2024
July 2023	107,459	107,459	The Hong Kong and Shanghai Banking Corporation Limited	Bond custody fees for the period 1 July 2023 to 30 June 2024

Legislative and government information

Figure 12: CEFC procurement contracts in place: 2023-24 continued

Contract date	Value \$	Expensed in 2023-24 \$	Contracting party	Purpose of contract
July 2023	80,850	80,850	Theorem Consulting Pty Ltd	Consulting fees for a large RTN transaction
July 2023	4,950,000	3,300,000	Virescent Ventures Pty Ltd	Investment Management Services for CEFC CEIF and certain PATF Investments for the period 1 July 2023 to 31 December 2024
August 2023	85,641	85,641	Allens	Legal fees incurred for various investment projects for the period 1 August 2023 to 30 June 2024
November 2023	165,417	165,417	Clayton Utz Sydney	Secondment of legal staff to the CEFC
December 2023	454,288	12,848	Pro AV Solutions (NSW) Pty Ltd	Upgrade of meeting and conference rooms, including video and sound consulting services and supply and installation of Microsoft Teams Rooms hardware for CEFC offices in Sydney, Brisbane, Melbourne and Perth
January 2024	96,600	96,600	Climate Friendly Financial Solutions Pty Ltd	Purchase of ACCUs for carbon abatement
January 2024	113,823	113,823	KPMG Financial Advisory Services (Australia) Pty Ltd	Debt advisory services on certain RTN transactions
January 2024	83,910	41,359	Reval.com Inc	One year licence fee renewal, maintenance and support for Loan Management System commencing January 2024
January 2024	519,089	57,804	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
February 2024	84,008	31,216	Diligent Board Services Australia Pty Ltd	Diligent Board subscription for one year from 16 February 2024 to 15 February 2025
February 2024	192,914	192,914	Oliver Wyman Pty Ltd	Consulting services for climate scenario analysis
March 2024	159,500	159,500	Commonwealth Scientific and Industrial Research Organisation (CSIRO)	Consulting services for low emissions concessional loans
June 2024	198,000	198,000	Australian National Audit Office	Audit of financial statements for year ended 30 June 2024
June 2024	116,600	-	Grant Thornton Australia Limited	Due Diligence Services on a proposed equity investment
Total	28,888,160	12,564,954		



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Rigorous financial information





about our operations

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

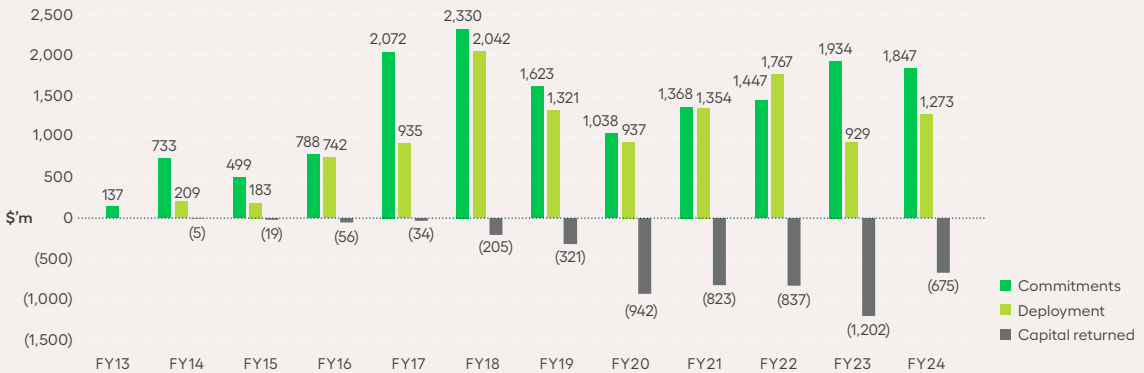
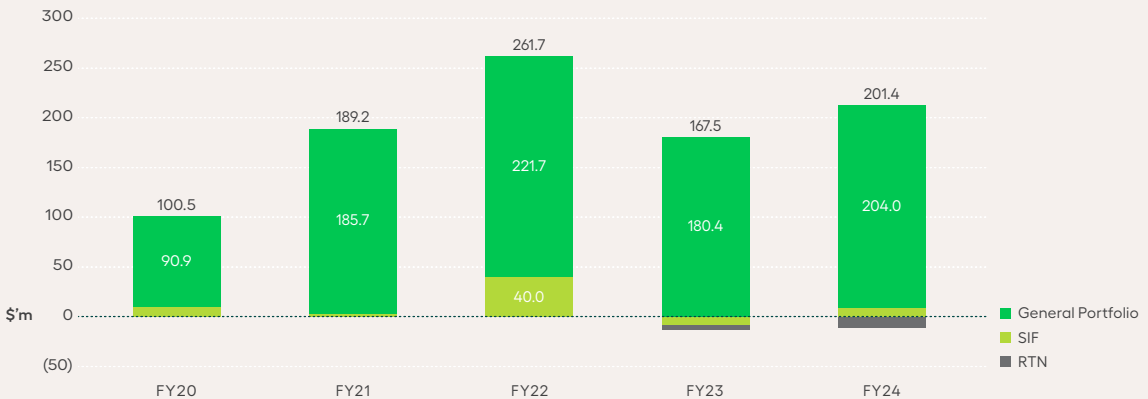


Figure 14: Normalised surplus/(loss) from operations by segment (\$m)



The Specialised Investment Funds (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 (RTN) Fund segment is showing a normalised operating loss as this is its first full year of operations and therefore very little capital has been deployed into projects yet. While contractual commitments have already been made for funding a number of projects, the actual funding of these commitments will occur largely in subsequent periods, at which time the CEFC will derive operating revenue from those contracts.

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

Type	FY20	FY21	FY22	FY23	FY24
Reported surplus/(loss) from operations	153.8	144.5	189.5	174.9	(215.9)
Less: Funding received from the Australian Government	(1.9)	(4.3)	(7.1)	(12.6)	(20.8)
Less: Fair value (gains)/losses from loans and bonds at Fair Value through Profit & Loss (FVTPL) net of realised (gains)/losses on sale	(34.7)	23.9	81.4	5.4	(11.3)
Less: Concessional discount unwind	(7.3)	(6.0)	(5.3)	(4.6)	(6.2)
Add: Concessional expense/(reversal)	(9.4)	9.2	8.4	13.7	456.6
Less: Loan modification unwind	-	(2.7)	(6.2)	(4.5)	(3.0)
Add: Loan modification expense/(reversal)	-	24.6	1.0	(4.8)	2.0
Normalised surplus from operations	100.5	189.2	261.7	167.5	201.4

Notes:

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

- Operational funding received from the Australian Government
- The non-cash concession and loan modification charges together with the unwind of these as revenue
- 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.

Figure 16: Deployed Portfolio Balance by Investment Type at 30 June (\$m)

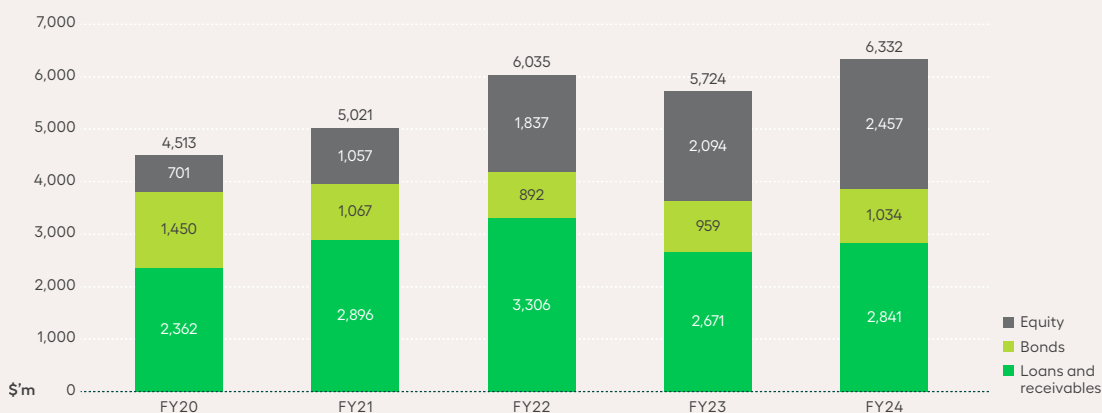
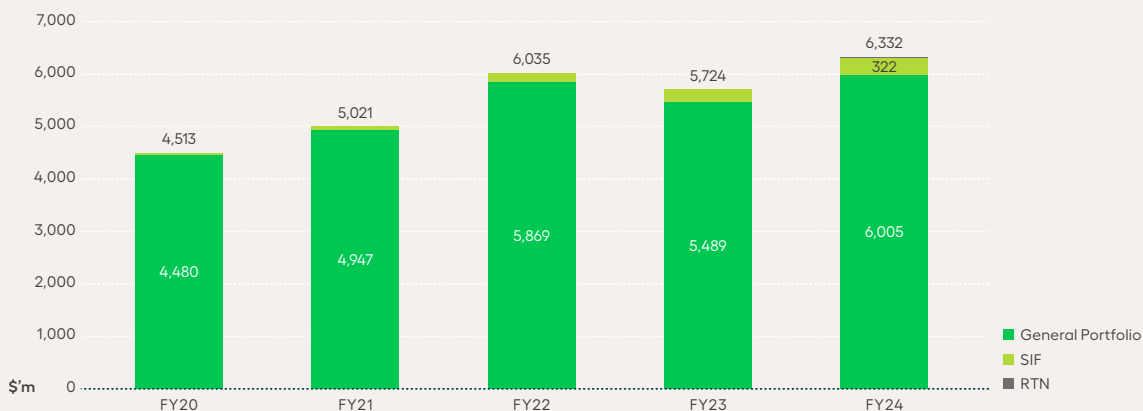


Figure 17: Deployed Portfolio Balance by Segment at 30 June (\$m)



Summary Financial Data

B. Portfolio Benchmark Returns

Figure 18: CEFC General Portfolio benchmark return (PBR)¹ (%)

	30 June 2024 Actual	30 June 2024 Normalised
Cumulative return ²	4.19 ^{3,4}	4.14 ^{3,4}
<i>PBR target</i>	3.87–4.87	3.87–4.87
Annualised return	3.94 ^{5,6}	3.75 ^{5,6}
<i>Annualised PBR target</i>	3.70–4.70	3.70–4.70

Notes:

1. The targeted portfolio benchmark return for the General Portfolio, established in the Investment Mandate Direction 2023, is the 5 year bond rate + 2–3 %.
2. Since inception.
3. Includes 0.39% fair value gains on equity investments at FVTPL.
4. Net of 0.53% relating to impairment allowance for portfolio losses.
5. Net of 0.68% fair value losses on equity investments at FVTPL.
6. Includes 0.46% relating to equity returns from joint ventures and associates.

Figure 19: Specialised Investment Funds portfolio benchmark returns (PBR) (%)

30 June 2024	CEIF	AHF	PATF	HEUF
Cumulative return ²	6.04	0.80	65.75	-1.98
<i>PBR target</i> ¹	2.79	1.55	4.81	4.57
Annualised return ³	-0.34	0.97	65.75	-1.98
<i>Annualised PBR target</i>	2.93	1.55	4.81	4.57

Notes:

Clean Energy Innovation Fund (CEIF) portfolio benchmark return (PBR) (%)

1. The Clean Energy Innovation Fund targeted Portfolio Benchmark Return (PBR), established in the Investment Mandate Direction 2023, is the 5 year bond rate + 1%.
2. Lifetime returns include 9.06% of net gains in estimated fair value of early-stage equity investments that are still in the portfolio.
3. Annualised returns for the Clean Energy Innovation Fund include 0.44% of net gains in estimated fair value of early-stage equity investments that are still in the portfolio.

Advancing Hydrogen Fund (AHF) portfolio benchmark return (PBR) (%)

1. The Advancing Hydrogen Fund targeted Portfolio Benchmark Return (PBR), established in the Investment Mandate Direction 2023, is the 5 year bond rate + 1%.
2. The first hydrogen project was committed and funded in the quarter ended 30 September 2021, and therefore this return is from that date through 30 June 2024.

Powering Australia Technology Fund (PATF) portfolio benchmark return (PBR) (%)

1. The Powering Australia Technology Fund targeted Portfolio Benchmark Return (PBR), established in the Investment Mandate Direction 2023, is the 5 year bond rate + 1%.
2. The first PATF project was committed and funded in the quarter ended 30 September 2023, and therefore this return is from that date through 30 June 2024.
3. The large 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 this fund.

Household Energy Upgrades Fund (HEUF) portfolio benchmark return (PBR) (%)

1. The Household Energy Upgrades Fund targeted Portfolio Benchmark Return (PBR), established in the Investment Mandate Direction 2023, is the 5 year bond rate + 0.5%.
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 2024.

Figure 20: Rewiring the Nation Fund portfolio benchmark return (PBR)¹

	30 June 2024 Cumulative Actual	30 June 2024 Annualised
Return ² as a Ratio of CEFC Direct Costs	0.312 : 1.000	0.401 : 1.000
Return ² as a Ratio of CEFC Direct Costs including an implied Australian Government Cost of Capital ³	0.264 : 1.000	0.325 : 1.000

Notes:

1. The Rewiring the Nation Fund targeted Portfolio Benchmark Return (PBR), established in the Investment Mandate Direction 2023, is an average return of at least the Corporation's cost of the Rewiring the Nation functions over the medium to long term. The above ratios have been calculated by applying a factor of 1.000 to the Corporation's cost of RTN functions since inception/for the most recent annual period.
2. Performance against this benchmark will be 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 RTN Fund as the fund has only recently commenced operating and revenues from deployed capital are only just commencing in the current financial year.

C. Concession

Figure 21: Disaggregated value of concession provided for each of the General Portfolio and Sub-Funds

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

	FY24 \$'000	FY23 \$'000
General Portfolio	4,288	13,307
Advancing Hydrogen Fund	595	360
Clean Energy Innovation Fund	-	-
Powering Australia Technology Fund	813	-
Household Energy Upgrades Fund	6,715	-
Subtotal	12,412	13,667
Rewiring the Nation Fund	444,167	-
Total Concessional Loan Charges	456,578	13,667
Disclosed in the financial statements as:		
Concessional loan charges	458,026	15,748
Reversal of prior period concessional loan charges	(1,448)	(2,081)
Total Concessional Loan Charges	456,578	13,667

Summary Financial Data

D. Segmental Summary Financial Data

D1. General Portfolio Summary Financial Data

Figure 22: General Portfolio new commitments, deployment and capital returned (\$m)

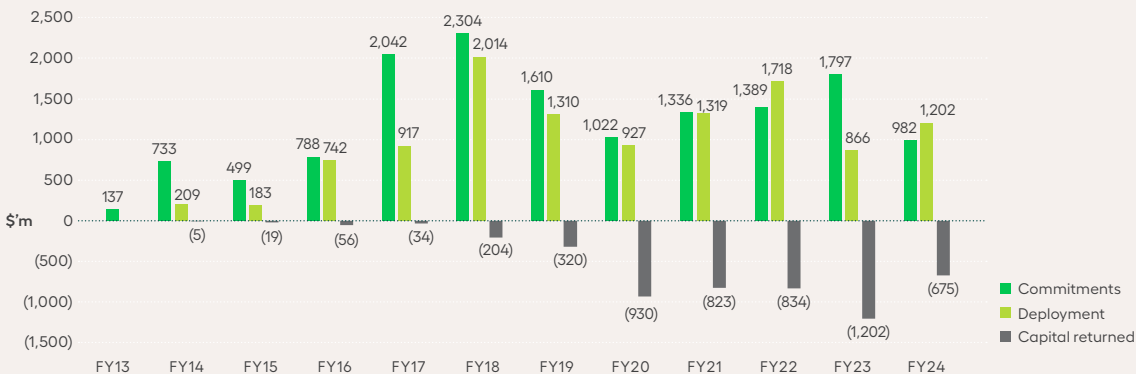


Figure 23: Deployed General Portfolio balance at 30 June (\$m)

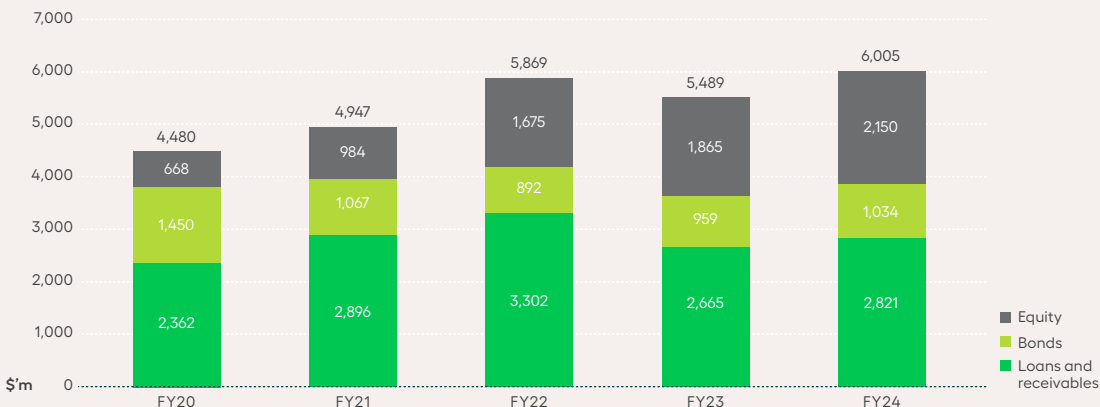


Figure 24: Normalised General Portfolio surplus from operations (\$m)

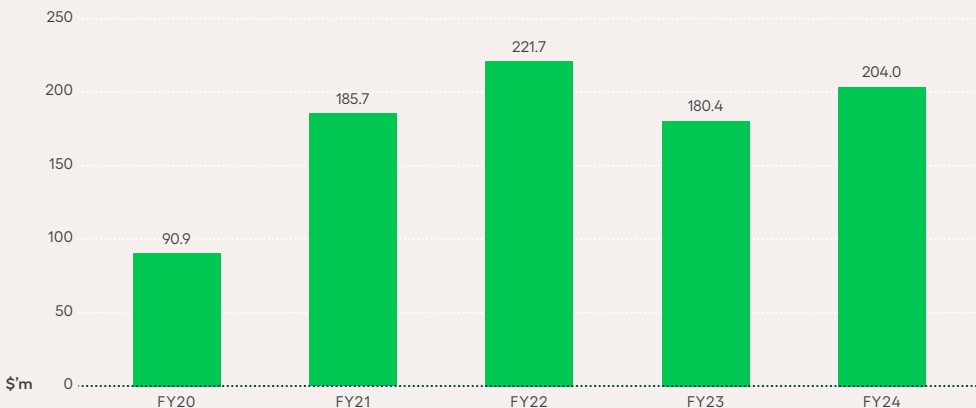


Figure 25: Reconciliation of General Portfolio surplus from operations to normalised surplus from operations (\$m)

	FY20	FY21	FY22	FY23	FY24
Reported surplus/(loss) from operations	144.2	141.0	147.7	176.6	218.7
Less: Funding received from the Australian Government	(1.9)	(4.3)	(4.5)	(1.1)	-
Less: Fair value (gains)/losses from loans and bonds at Fair Value through Profit & Loss (FVTPL) net of realised (gains)/losses realised on sale	(34.7)	23.9	81.4	5.4	(11.3)
Less: Concessional discount unwind	(7.3)	(6.0)	(5.3)	(4.5)	(6.1)
Add: Concessional expense/(reversal)	(9.4)	9.2	7.5	13.3	4.3
Less: Loan modification unwind	-	(2.7)	(6.2)	(4.5)	(2.9)
Add: Loan modification expense/(reversal)	-	24.6	1.1	(4.8)	1.3
Normalised surplus from operations	90.9	185.7	221.7	180.4	204.0

Figure 26: General Portfolio own-source revenue (\$m)

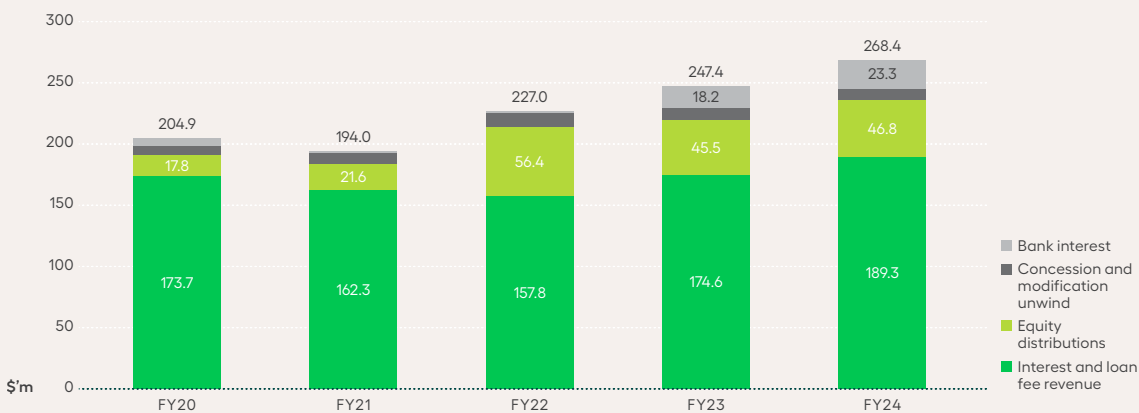
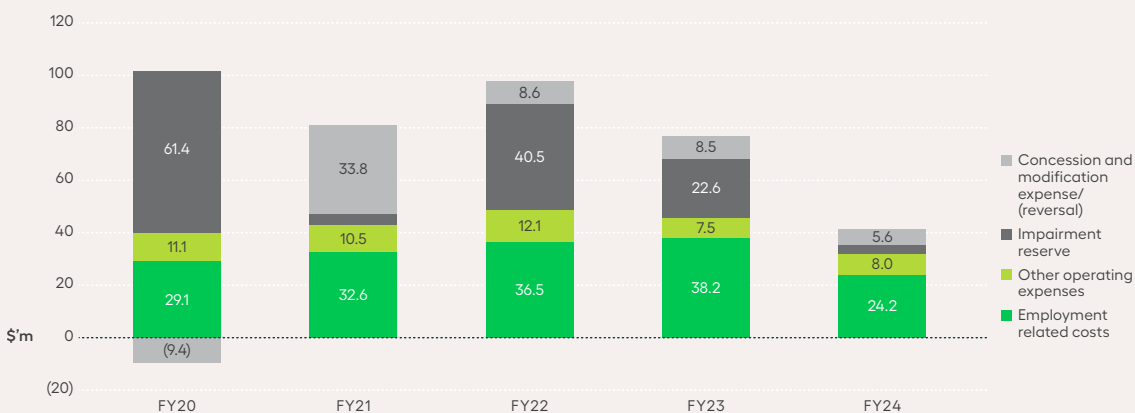


Figure 27: General Portfolio operating expenses, impairment, concession, modification (\$m)



Summary Financial Data

D2. Specialised Investment Funds (SIFs) Summary Financial Data

Figure 28: Specialised Investment Funds new commitments, deployment and capital returned (\$m)

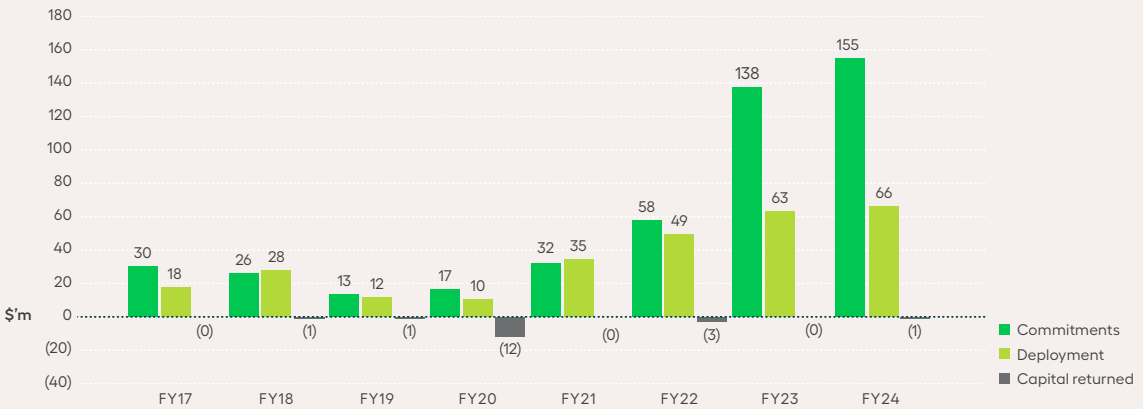


Figure 29: Deployed Specialised Investment Funds balance at 30 June (\$m)

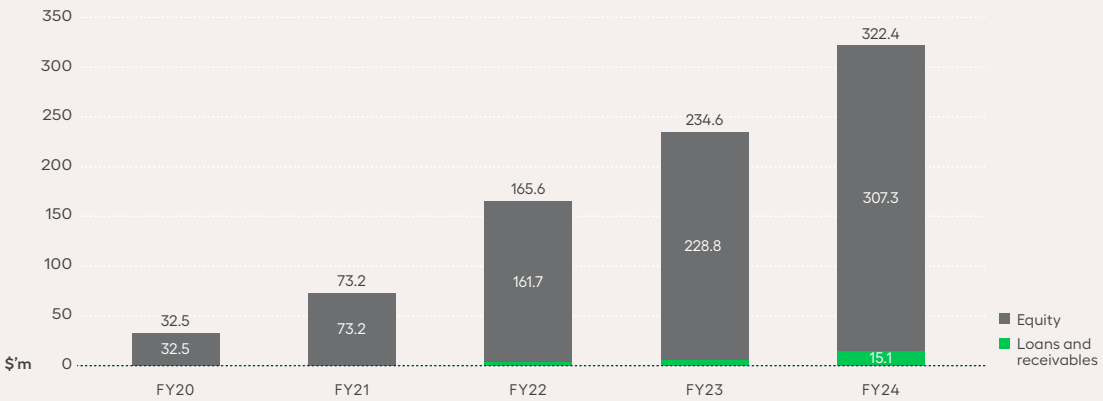


Figure 30: Specialised Investment Funds normalised surplus/(loss) from operations (\$m)

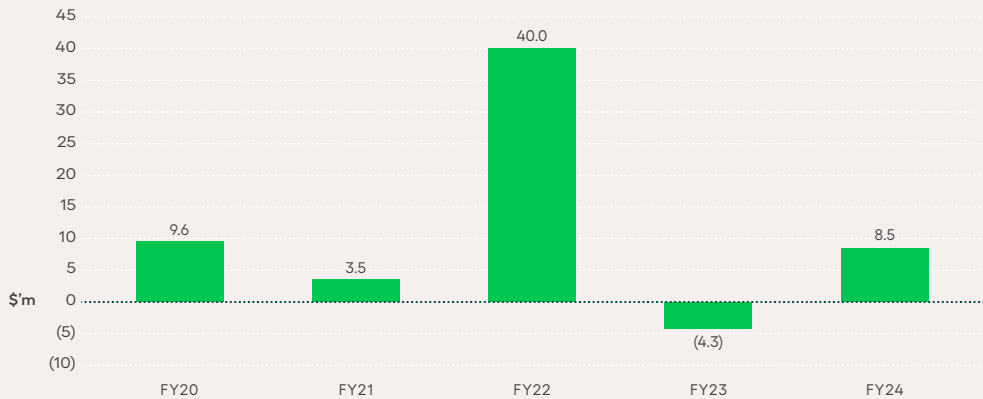


Figure 31: Reconciliation of Specialised Investment Funds surplus/(loss) from operations to normalised surplus/(loss) from operations (\$m)

	FY20	FY21	FY22	FY23	FY24
Reported surplus/(loss) from operations	9.6	3.5	41.8	(1.1)	7.1
Less: Funding received from the Australian Government	-	-	(2.6)	(3.5)	(7.3)
Less: Concessional discount unwind	-	-	(0.0)	(0.1)	(0.1)
Add: Concessional expense/(reversal)	-	-	0.8	0.4	8.1
Less: Loan modification unwind	-	-	-	-	(0.0)
Add: Loan modification expense/(reversal)	-	-	-	-	0.7
Normalised surplus/(loss) from operations	9.6	3.5	40.0	(4.3)	8.5

Summary Financial Data

D2. Specialised Investment Funds (SIFs) Summary Financial Data

Figure 32: Specialised Investment Funds own-source revenue (\$m)

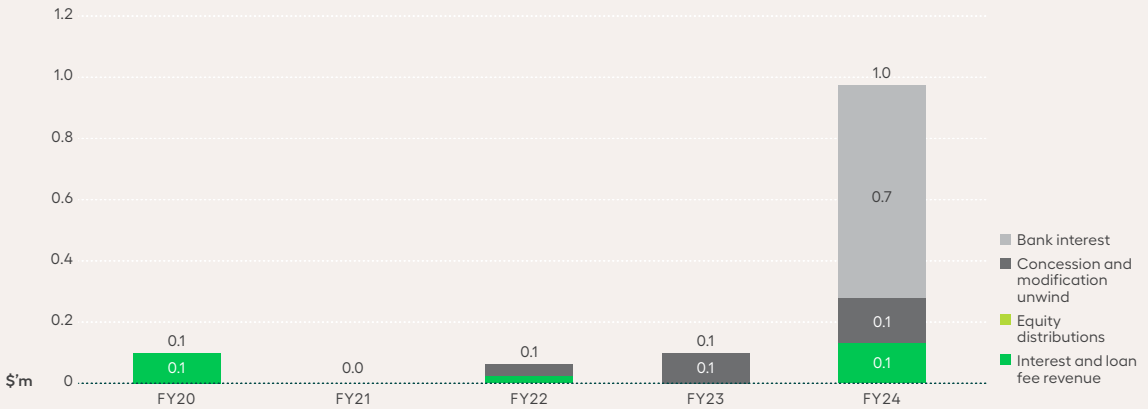


Figure 33: Specialised Investment Funds fair value gains and losses (\$m)

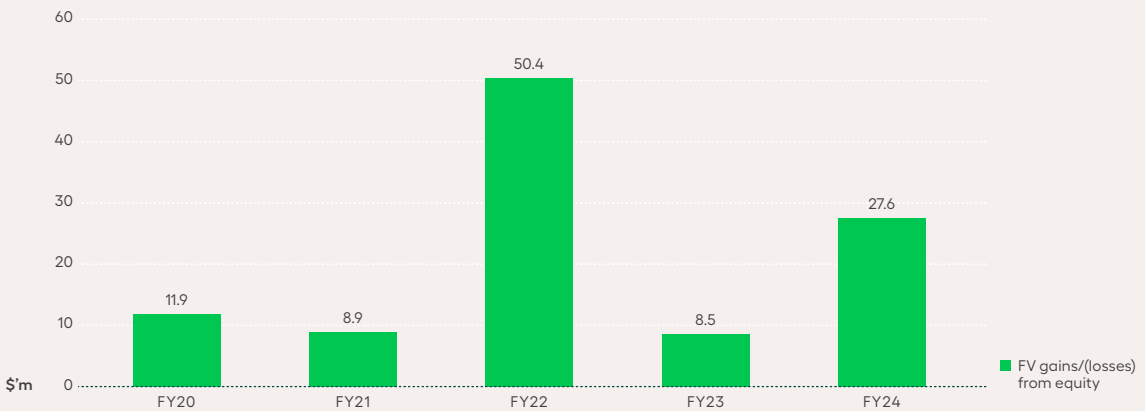
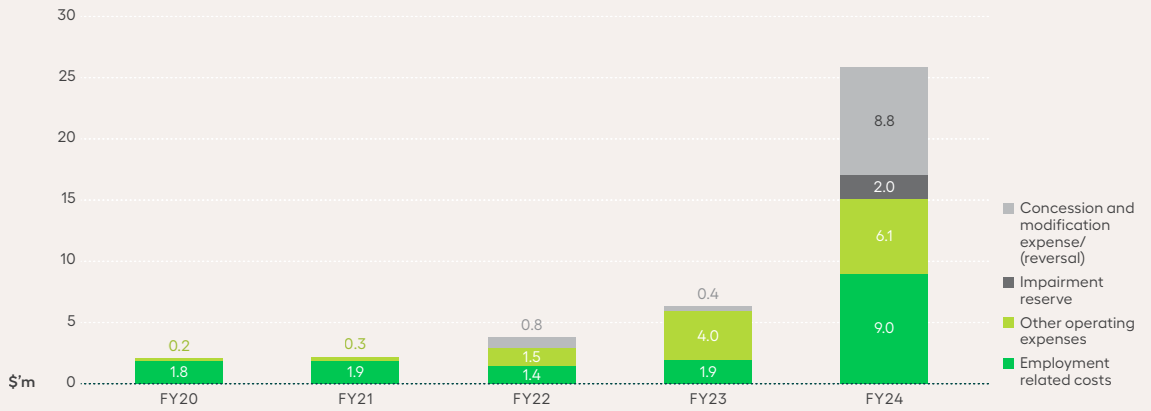


Figure 34: Specialised Investment Funds operating expenses, impairment, concession, modification (\$m)



Notes:

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

Summary Financial Data

D3. Rewiring The Nation Fund Summary Financial Data

Figure 35: Rewiring the Nation Fund new contractual commitments and deployment (\$m)

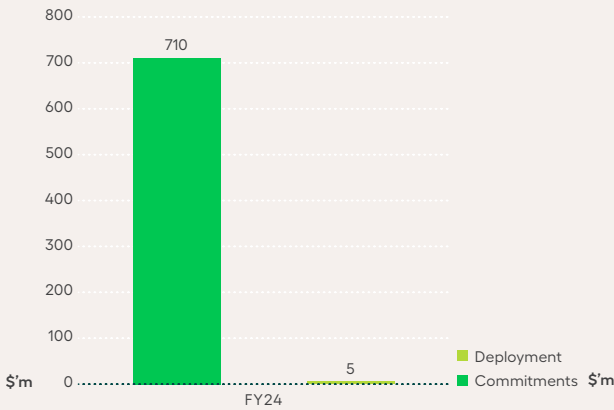


Figure 38: Rewiring the Nation Fund own-source revenue (\$m)

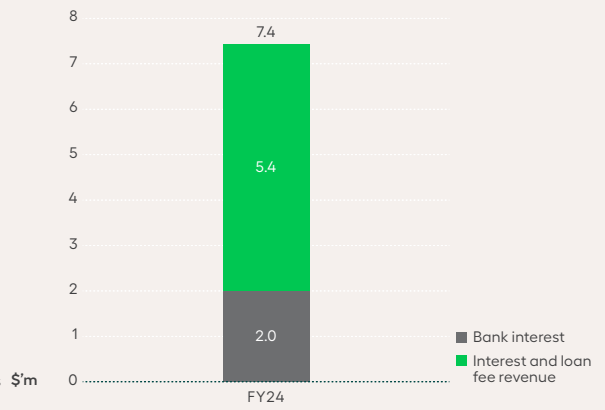


Figure 36: Rewiring the Nation Fund normalised loss from operations (\$m)

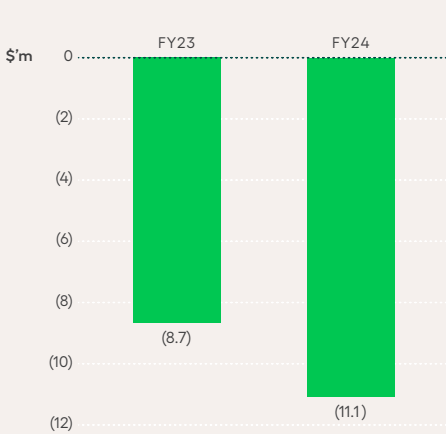


Figure 39: Rewiring the Nation Fund operating expenses, impairment, concession, modification (\$m)

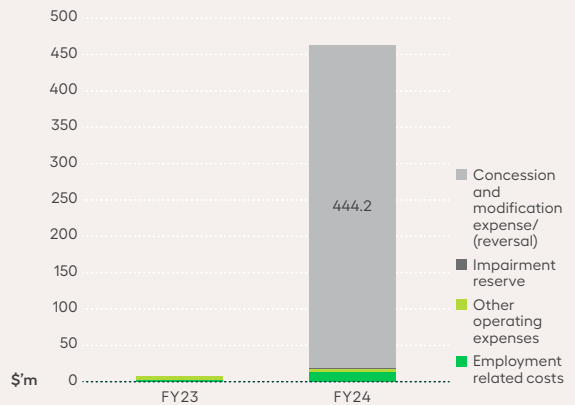


Figure 37: Reconciliation of Rewiring the Nation Fund loss from operations to normalised loss from operations (\$m)

	FY23	FY24
Reported surplus/(loss) from operations	(0.7)	(441.8)
Less: Funding received from the Australian Government	(8.0)	(13.5)
Less: Concessional discount unwind	-	(0.0)
Add: Concessional expense/(reversal)	-	444.2
Normalised surplus/(loss) from operations	(8.7)	(11.1)

Note:

Concession expense is recorded at the time CEFC becomes committed to providing a loan at a below-market interest rate. It is recorded as a liability upon commitment and reclassified as a reduction in the carrying value of the financial asset when the loan is funded. The loan commitment to which the majority of this concession charge relates is to be funded after the end of the financial year.

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 2024:

- (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 2024 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 2024 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 2024 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
Delegate of the Auditor-General

Canberra
20 August 2024

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 2024 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

20 August 2024



Nicola Wakefield Evans AM
Board Member

20 August 2024



Ian Learmonth
Chief Executive Officer

20 August 2024



Andrew Powell
Chief Financial Officer

20 August 2024

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2024

	Notes	2024 \$'000	2023 \$'000
NET COST OF SERVICES			
EXPENSES			
Employee benefits	2.1A	45,013	42,110
Suppliers	2.1B	16,949	14,462
Depreciation and amortisation	3.2A	3,753	3,605
Finance costs	2.1F	254	213
Concessional loan charges	2.1C	458,026	15,748
Impairment loss allowance on financial assets	2.1D	(1,826)	41,373
Losses from disposal of assets	2.2D	14,949	1,983
Total expenses		537,118	119,494
OWN-SOURCE INCOME			
Own-source revenue			
Interest and loan fee revenue	2.2A	230,047	201,992
Distributions from trusts and equity investments	2.2B	46,797	45,523
Total own-source revenue		276,844	247,515
Gains and losses			
Fair value losses on financial instruments	2.1E	(120,796)	(80,936)
Fair value gains on financial instruments	2.2C	129,233	110,670
(Loss) on modification of loans/Reversal of prior period charges	2.1G	(1,988)	4,831
Reversal of prior period concessional loan charges	2.1C	1,448	2,081
Total net gains/(losses)		7,897	36,646
Total own-source income		284,741	284,161
Net contribution by/(cost of) services		(252,377)	164,667
Revenue from government	2.3	20,811	12,610
Share of associates and joint ventures	3.1F	15,657	(2,344)
Surplus/(Loss) from continuing operations		(215,909)	174,933
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Share of associates and joint ventures asset revaluation reserves	2.4A	4,174	7,626
Items subject to subsequent reclassification to net cost of services			
Share of associates gains/(losses) on financial assets at fair value through other comprehensive income	2.4A	2,115	524
Net fair value gains/(losses) in cash flow reserves	2.4A	-	(1,602)
Total comprehensive income/(loss)		(209,620)	181,481

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

Consolidated Statement of Financial Position

At 30 June 2024

	Notes	2024 \$'000	2023 \$'000
ASSETS			
Financial assets			
Cash and cash equivalents	3.1A	1,081,370	553,831
Trade and other receivables	3.1B	31,923	26,576
Loans and advances	3.1C	2,708,167	2,537,073
Other debt securities	3.1D	1,032,099	957,087
Equities and units in trusts	3.1E	1,778,267	1,583,260
Equity accounted investments	3.1F	665,230	496,027
Derivative financial assets	3.1G	13,358	14,915
Total financial assets		7,310,414	6,168,769
Non-financial assets			
Property, plant and equipment	3.2A	11,407	13,936
Prepayments		2,244	1,921
Total non-financial assets		13,651	15,857
Total assets		7,324,065	6,184,626
LIABILITIES			
Payables and deferred revenue			
Suppliers		4,875	3,498
Deferred revenue	3.3A	32,955	26,829
Other payables	3.3B	13,992	13,543
Total payables and deferred revenue		51,822	43,870
Interest bearing liabilities			
Leases	3.4	7,976	9,646
Total interest-bearing liabilities		7,976	9,646
Provisions			
Employee provisions	5.1	5,748	5,345
Concession on undrawn loan commitments	3.5	462,308	19,938
Provision for make good of leased premises		598	594
Total provisions		468,654	25,877
Total liabilities		528,452	79,393
Net assets		6,795,613	6,105,233
EQUITY			
Contributed equity	4.1	5,913,363	5,013,363
Reserves	2.4A	23,820	17,531
Retained surplus		858,430	1,074,339
Total equity		6,795,613	6,105,233

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

Consolidated Statement of Changes in Equity

For the year ended 30 June 2024

	Retained Surplus		Reserves		Contributed Equity		Total Equity	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Opening balance								
Balance carried forward from previous year	1,074,339	899,406	17,531	10,983	5,013,363	5,513,363	6,105,233	6,423,752
Comprehensive income								
(Loss)/Surplus for the year	(215,909)	174,933	-	-	-	-	(215,909)	174,933
Other comprehensive income	-	-	6,289	6,548	-	-	6,289	6,548
Total comprehensive (loss)/income	(215,909)	174,933	6,289	6,548	-	-	(209,620)	181,481
Transactions with owners								
Contributions by owners								
Equity injection from CEFC Special Account	-	-	-	-	1,060,000	-	1,060,000	-
Return of equity to CEFC Special Account	-	-	-	-	(160,000)	(500,000)	(160,000)	(500,000)
Total transactions with owners	-	-	-	-	900,000	(500,000)	900,000	(500,000)
Closing balance as at 30 June	858,430	1,074,339	23,820	17,531	5,913,363	5,013,363	6,795,613	6,105,233

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

Consolidated Cash Flow Statement

For the year ended 30 June 2024

	Notes	2024 \$'000	2023 \$'000
OPERATING ACTIVITIES			
Cash received			
Receipts from Government		20,811	12,610
Interest and fees		231,914	187,200
Income distributions from trusts and equity investments		45,462	44,030
Total cash received		298,187	243,840
Cash used			
Employees		43,542	39,922
Suppliers		17,861	16,333
Interest payments on lease liabilities		198	213
Total cash used		61,601	56,468
Net cash from operating activities		236,586	187,372
INVESTING ACTIVITIES			
Cash received			
Principal loan repayments received		540,817	865,450
Sale of other debt securities		63,880	190,351
Sale of equities and units in trusts		2,800	33,740
Sale of investment in associates and joint ventures		12,582	66,273
Distributions from associates and joint ventures		23,640	26,770
Total cash received		643,719	1,182,584
Cash used			
Loans made to other parties		742,064	288,592
Purchase of other debt securities		118,988	261,497
Purchase of equities and units in trusts		193,842	188,617
Investment in associates and joint ventures		194,981	174,509
Purchase of property, plant and equipment		749	4,030
Total cash used		1,250,624	917,245
Net cash (used by)/from investing activities		(606,905)	265,339
FINANCING ACTIVITIES			
Cash received			
Contributed equity		1,060,000	–
Total cash received		1,060,000	–
Cash used			
Return of equity		160,000	500,000
Principal payments of lease liabilities		2,142	1,935
Total cash used		162,142	501,935
Net cash from (used by) financing activities		897,858	(501,935)
Net increase/(decrease) in cash held		527,539	(49,224)
Cash and cash equivalents at the beginning of the reporting period		553,831	603,629
Effect of exchange rate movements on cash and cash equivalents at beginning of reporting period		–	(574)
Cash and cash equivalents at the end of the reporting period	3.1A	1,081,370	553,831

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

Notes to Consolidated Financial Statements

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Notes to Consolidated Financial Statements

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. It is a not-for-profit Australian Government controlled entity with medium to long-term portfolio benchmark return targets (before operating expenses).

Working with co-financiers, 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) that are related to renewable energy 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 accelerate Australia's transformation towards a more competitive economy in a carbon constrained world, by acting as a catalyst to increase investment in the clean energy sector; 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.

During the year ended 30 June 2024, a new Investment Mandate was received from the responsible Ministers, effective 22 July 2023 – 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 (RTN) 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 (Innovation Fund), which has a greater risk and a lower Portfolio Benchmark 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.

- 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 2024, the final \$8 billion of the \$19 billion Rewiring the Nation Fund and the first \$70 million toward the \$1 billion for Household Energy Upgrades Fund were credited to the CEFC Special Account.

1.2 Basis of preparation of the financial statements

The consolidated financial statements of the Clean Energy Finance Corporation (the parent) and its subsidiaries (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 subsidiaries can be found at Note 7.

1.3 Market and supply chain impacts

There is an increasing concentration risk in the sectors in which the CEFC invests. Substantial investment is required globally to meet net zero commitments, and this is increasing the competition for equipment, materials and appropriately skilled labour required to build out electricity networks, new renewable generation, manufacture of energy efficient assets and the equipment required to transition to a lower emissions economy.

Given its interplay at the nexus of energy and finance, the CEFC considers that there may be some impacts on the current portfolio and pipeline of future investments. This will likely include inflationary pressures on both construction and project finance costs as well as possible delays in the supply of equipment and construction of grid and generation assets in particular, however, it is not possible to make a completely informed judgement as to the duration and extent of these impacts.

1.4 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 2024, 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.

Notes to Consolidated Financial Statements

Note 1: Overview

1.5 New Accounting Standards

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

Standard/Interpretation	Application date for the Group
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 July 2023
<p>This Standard amends AASB 7 Financial Instruments: Disclosures, AASB 101 Presentation of Financial Statements (July 2015), AASB 134 Interim Financial Reporting (August 2015), and AASB Practice Statement 2 as a consequence of the amendment of International Financial Reporting Standard Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) and Internal Financial Reporting Standard Definition of Account Estimates (Amendments to IAS 8) by the International Accounting Standards Board (IASB) in February 2021.</p> <p>The application of this Standard requires a change in disclosing material accounting policy information rather than significant accounting policies in the Group's financial statements. The Group has reduced its disclosures to now disclose only the material accounting policy information in the Notes to the Financial Statements.</p>	
AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Standards	1 July 2023
<p>This Standard amends AASB 1049 Whole of Government and General Government Sector Financial Reporting (October 2007), AASB 1054 Australian Additional Disclosures (May 2011), and AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (March 2020) as a consequence of the amendment of Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Account Estimates (Amendments to AASB 2021-2) in March 2021.</p> <p>The application of this Standard requires: a change in disclosing material accounting policy information rather than significant accounting policies and clarification that information about measurement bases for financial instruments is material in the Group's financial statements. The Group has reduced its disclosures to now disclose only the material accounting policy information in the Notes to the Financial Statements.</p>	

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 2022-10: Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities	1 July 2024 earlier application is permitted
AASB 2023-3: Disclosure of Non-current Liabilities with Covenants: Tier 2	1 July 2024 earlier application is permitted
AASB 2024-1: Supplier Finance Arrangements: Tier 2 Disclosures	1 July 2024 earlier application is permitted
Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments	1 July 2026 earlier application is permitted
AASB 18 Presentation and Disclosure in Financial Statements	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.

1.6 Events after the reporting period

On 1 July 2024 \$399m was credited to the CEFC Special Account for HEUF, bringing total credits for HEUF to \$469m of the announced \$1bn.

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 2024.

2.1 Expenses

2.1A: Employee benefits

	2024 \$'000	2023 \$'000
Wages and salaries	41,319	38,472
Superannuation		
Defined contribution plans	2,937	2,472
Leave and other entitlements	484	725
Separation and redundancies	273	441
Total employee benefits	45,013	42,110

2.1B: Suppliers

	2024 \$'000	2023 \$'000
Goods and services supplied or rendered		
Annual report	161	144
Consultants and contractors	2,422	1,601
Custody, facility, filing and investment management fees	4,497	4,726
Data feeds and other subscriptions	1,163	991
Facility services and outgoings	516	470
Financial statement audit services	188	213
Information technology services	2,138	1,483
Insurance	408	205
Internal audit services	323	265
Legal fees	397	517
Marketing and communications	594	518
Recruitment services	866	529
Staff training and development	536	358
Telecommunications	159	165
Travel and incidentals	1,605	1,366
Other	957	803
Total goods and services supplied or rendered	16,930	14,354
Goods supplied	444	423
Services rendered	16,486	13,931
Total goods and services supplied or rendered	16,930	14,354
Other suppliers		
Rental (recovery)/expense – external parties	(40)	59
Workers compensation expenses	59	49
Total other suppliers	19	108
Total suppliers	16,949	14,462

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.

	2024 \$'000	2023 \$'000
Rental paid is recognised as:		
Rental (recovery)/expense	(40)	59
Finance cost	198	213
Reduction in lease liability	2,142	1,895
Total premises lease payments	2,300	2,167
The amount expensed for premises rental is recognised as:		
Rental (recovery)/expense	(40)	59
Finance cost	198	213
Depreciation of right of use asset	2,298	2,390
Total premises lease expense	2,456	2,662

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:

	2024 \$'000	2023 \$'000
Australian National Audit Office	226	198

2.1C: Concessional loan charge

	2024 \$'000	2023 \$'000
Concessional loan charges on commitments during the year	458,026	15,748
Reversal of concessional loan charges on prior period commitments, due to expiration or early termination of concessional loan arrangements	(1,448)	(2,081)
Total concessional loan charge	456,578	13,667

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 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 RTN Fund, 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 RTN Fund, 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

	2024 \$'000	2023 \$'000
Impairment charge on loans carried at amortised cost	5,332	22,595
Impairment charge on other debt securities carried at amortised cost	276	26
Impairment charge on loans and debt securities carried at amortised cost	5,608	22,621
Impairment (reversal)/charge on interests in associates and joint ventures	(7,434)	18,752
Total impairment (reversal)/charge on financial assets	(1,826)	41,373

Accounting judgements and estimates

Impairment charge on loans and debt securities carried at amortised cost

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

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

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

Notes to Consolidated Financial Statements

Note 2: Financial performance

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

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

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

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

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

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

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

Impairment charge on interests in associates and joint ventures

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

2.1E: Fair value losses on financial instruments

	2024 \$'000	2023 \$'000
Fair value losses on other debt securities carried at FVTPL	34	6,627
Fair value losses on equities and units in trusts carried at FVTPL	119,206	76,394
Fair value losses on derivatives for investment carried at FVTPL	1,556	–
Reversal of prior years' fair value gains now realised on disposal (refer Note 2.2D)	–	1,067
Reversal of prior years' fair value losses now realised on disposal (refer Note 2.2D)	–	(3,726)
Foreign exchange loss	–	574
Total fair value losses on financial instruments	120,796	80,936

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

	2024 \$'000	2023 \$'000
Interest on lease liabilities	198	213
Unwinding of discount	56	–
Total finance costs	254	213

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

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

	2024 \$'000	2023 \$'000
Loans measured at amortised cost	2,611	–
Reversal of prior period modification loss of financial instruments	(623)	(4,831)
Total loss/(reversal) on modification of financial instruments at amortised cost that were not derecognised	1,988	(4,831)

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

	2024 \$'000	2023 \$'000
Interest and fees from loans and advances	150,702	137,697
Interest from other debt securities	40,727	36,983
Interest from cash and short-term investments	29,448	18,225
Unwind of concessional interest rate discount	6,221	4,567
Unwind of loan modification loss	2,949	4,520
Total interest and loan fee revenue	230,047	201,992

Accounting policy

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

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

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

Notes to Consolidated Financial Statements

Note 2: Financial performance

2.2B: Distributions from trusts and equity investments

	2024 \$'000	2023 \$'000
Distributions from trusts and equity instruments	46,797	45,523
Total distributions from trusts and equity investments	46,797	45,523

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

	2024 \$'000	2023 \$'000
Fair value gains on other debt securities carried at FVTPL	11,301	1,402
Fair value gains on equities and units in trusts carried at FVTPL	112,663	104,729
Fair value gains on derivatives for investment carried at FVTPL	-	4,371
Reversal of prior years' fair value losses now realised on disposal (refer Note 2.2D)	5,269	-
Reversal of prior years' fair value gains now realised on disposal (refer Note 2.2D)	-	(874)
Foreign exchange gain	-	1,042
Total fair value gains on financial instruments	129,233	110,670

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: (Loss)/Profit on disposal of assets

	2024 \$'000	2023 \$'000
Realised gains on financial investments carried at FVTPL		
Investments in trusts and equity instruments	-	1,941
Investments in debt securities	-	8
Realised losses on financial investments carried at FVTPL		
Investments in trusts and equity instruments	(7,004)	-
Investments in debt securities	-	(3,932)
Realised losses on disposal of equity accounted investments	(7,945)	-
Net (loss)/profit on disposal of investments	(14,949)	(1,983)

\$7.0 million of the loss on disposal of assets (2023: \$3.7 million) had been recognised in prior years through the Statement of Comprehensive Income as fair value losses. Refer Notes 2.1E and 2.2C.

\$Nil of the profit from disposal of assets (2023: \$1.9 million) 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

	2024 \$'000	2023 \$'000
Contribution from Department of Climate Change, Energy, the Environment and Water towards operating costs of the proposed:		
– Grid Reliability Fund	–	1,066
– Household Energy Upgrades Fund	2,563	–
– Powering Australia Technology Fund	4,716	3,514
– Rewiring the Nation Fund	13,532	8,030
Total revenue from government	20,811	12,610

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

2.4A: Reconciliation of unrealised gains in reserves at 30 June 2024

	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 2023	7,626	9,905	17,531
Unrealised gains/(losses) recorded in other comprehensive income during 2024	4,174	2,115	6,289
Unrealised gains included in reserves, 30 June 2024	11,800	12,020	23,820

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 in as a gain/(loss) in the Statement of Comprehensive Income.

Derecognition

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

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

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

Impairment of financial assets held at amortised cost

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

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

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

Judgements and estimates

The Group is required to ascertain the extent to which its loans and other debt securities held at amortised cost are likely to be recoverable. Given the risk position that may be assumed by the Group in its various loans (e.g. senior debt, unsecured debt, subordinated or mezzanine debt, longer terms, policy risk in relation to the Renewable Energy Target, 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 concessionality balance at the period end.

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

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

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

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

Notes to Consolidated Financial Statements

Note 3: Financial position

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 2024	Weighting 2023
Base case	55%	55%
Upside	10%	10%
Downside	30%	30%
Electricity price collapse	5%	5%
Total statistically calculated provision	100%	100%

The assumptions in each scenario have been updated at 30 June 2024. This change in assumptions includes higher electricity price forecasts, the current GDP and interest rate forecasts and updates to interest rate and property price expectations.

The provision at 30 June 2024, under these scenarios would have been between \$77.2 million and \$326.0 million and has been calculated on a weighted average basis as \$132.6 million as follows:

Scenario	Key Assumptions at 30 June 2024	Statistical Provision \$m	Weighted Value \$m
Base case	<ul style="list-style-type: none"> – Electricity prices: Most recent quarterly forecast of bundled wholesale prices sourced from an independent consultancy in both 2024 and 2023. – Foreign exchange rate: June quarterly forecasts sourced from a financial information service at 30 June 2024 and 2023. – Interest rates: Average June quarterly forecasts sourced from a financial information service at 30 June 2024 and 2023. – GDP growth rate: Real GDP forecast sourced from a financial information service at 30 June 2024 and 2023. – Property prices: In line with market expectations. 	112.1	61.7
Upside	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.	77.2	7.7
Downside	Electricity prices are 35% lower than the Base case. Property prices are from 10% to 25% lower than market expectations. Interest rates increase at twice the pace of Base case up to 8% with no decrease. GDP growth is 50% of Base case with a recession in year 2.	156.2	46.9
Electricity price collapse	As for Downside scenario, however, bundled electricity prices drop to \$40/MWh and remain at that level.	326.0	16.3
Total provision calculated with reference to above scenarios (AASB 9 stages 1 and 2)			132.6
Specific provision for financial instruments considered to be credit impaired (AASB 9 stage 3)			1.8
			134.4

The total impairment provision of \$134.4 million is disclosed as \$132.4 million against loans and advances (refer Note 3.1C) and \$2.0 million against other debt securities (refer Note 3.1D):

In addition to the statistically modelled output, 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

	2024 \$'000	2023 \$'000
Cash on hand or on deposit	1,081,370	553,831
Total cash and cash equivalents	1,081,370	553,831

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

	2024 \$'000	2023 \$'000
Goods and services receivables		
Other receivables		
Interest and fees	25,268	21,298
Dividends and distributions	6,244	4,943
Accrued revenue	31,512	26,241
Unbilled receivables	303	335
Other receivables	108	-
Total accrued revenue and other receivables	31,923	26,576
Total trade and other receivables (gross)	31,923	26,576
Less: impairment allowance	-	-
Total trade and other receivables (net)	31,923	26,576

Credit terms for goods and services were within 30 days (2023: 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

	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)
Funded loans, net of concessionality and modification discount	2,816,863	23,650	2,840,513
Less impairment allowance	(132,346)	-	(132,346)
Net loans and advances	2,684,517	23,650	2,708,167

	2023 Amortised cost \$'000	2023 FVTPL \$'000	2023 Total \$'000
Gross funded loans and advances	2,676,482	10,050	2,686,532
Concessional loan discount on drawn loans	(7,441)	(778)	(8,219)
Unamortised loan modification charge	(7,314)	-	(7,314)
Funded loans, net of concessionality and modification discount	2,661,727	9,272	2,670,999
Less impairment allowance	(133,926)	-	(133,926)
Net loans and advances	2,527,801	9,272	2,537,073

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

	2024 \$'000	2023 \$'000
Overdue or impaired	1,835	171,698
Due in 1 year	656,720	251,449
Due in 1 year to 5 years	1,530,349	1,271,017
Due after 5 years	651,609	976,835
Funded loans, net of concessionality and modification discount	2,840,513	2,670,999

Concentration of risk

The largest single exposure in the loan portfolio at 30 June 2024 was for an amount of \$295.0 million (2023: \$295.0 million). The following table shows the diversification of investments in the loan portfolio at 30 June:

	2024			2023		
	No. of loans	Loan value \$'000	%	No. of loans	Loan value \$'000	%
<\$10m	16	57,480	2%	17	69,773	3%
\$10m – \$50m	24	606,587	21%	26	675,815	25%
\$50m – \$100m	22	1,626,359	57%	16	1,246,269	47%
> \$100m	3	550,087	20%	4	679,142	25%
Funded loans, net of concessionality and modification discount	65	2,840,513	100%	63	2,670,999	100%

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

Corporation's Shadow Credit Rating	2024		2023	
	Loan value \$'000	%	Loan value \$'000	%
AAA	5,197	0%	6,482	0%
AA+ to AA-	48,391	2%	44,305	2%
A+ to A-	367,469	13%	296,785	11%
BBB+ to BBB-	542,413	19%	590,287	22%
BB+ to BB-	1,668,584	59%	1,643,683	62%
B+ to B-	208,459	7%	89,457	3%
Total loans and advances, net of concessionality and modification discount	2,840,513	100%	2,670,999	100%

Risk factors are discussed further in Note 6.2.

Notes to Consolidated Financial Statements

Note 3: Financial position

Impairment allowance

Reconciliation of the impairment allowance

Movements in relation to loans and advances:

	2024 Stage 1 (12-month ECL)	2024 Stage 2 (lifetime ECL)	2024 Stage 3	2024 Total \$'000
As at 1 July 2023	63,835	24,289	45,802	133,926
(Decrease)/Increase 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 3 to stage 2	-	11,336	(11,336)	-
Utilised for impaired loans	-	-	(6,912)	(6,912)
Closing balance at 30 June 2024	74,564	55,947	1,835	132,346

	2023 Stage 1 (12-month ECL)	2023 Stage 2 (lifetime ECL)	2023 Stage 3	2023 Total \$'000
As at 1 July 2022	53,934	35,084	75,116	164,134
(Decrease)/Increase recognised in impairment loss allowance on financial instruments	3,367	968	18,260	22,595
Change from stage 1 to stage 2	(5,515)	5,515	-	-
Change from stage 2 to stage 1	12,049	(12,049)	-	-
Change from stage 2 to stage 3	-	(5,229)	5,229	-
Utilised for impaired loans	-	-	(52,803)	(52,803)
Closing balance at 30 June 2023	63,835	24,289	45,802	133,926

The Group did not have any amounts past due but not impaired at 30 June 2024 or 30 June 2023.

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

	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)
Debt securities before impairment allowance	444,269	589,869	1,034,138
Less impairment allowance	(2,039)	–	(2,039)
Net other debt securities	442,230	589,869	1,032,099

	2023 Amortised cost \$'000	2023 FVTPL \$'000	2023 Total \$'000
Gross funded debt securities	380,055	613,435	993,490
Concessional loan discount	(1,418)	(2,395)	(3,813)
Cumulative amortisation of bond discount/(premium)	1,043	2,181	3,224
Cumulative fair value adjustments	–	(34,051)	(34,051)
Debt securities before impairment allowance	379,680	579,170	958,850
Less impairment allowance	(1,763)	–	(1,763)
Net other debt securities	377,917	579,170	957,087

Maturity analysis of debt securities:

	2024 \$'000	2023 \$'000
Overdue or impaired	–	–
Due in 1 year	129,611	107,769
Due in 1 year to 5 years	725,928	631,620
Due after 5 years	178,599	219,461
Other debt securities before impairment allowance	1,034,138	958,850

Notes to Consolidated Financial Statements

Note 3: Financial position

Concentration of risk – Other debt securities

Other debt securities are primarily investments in bank and corporate bonds. During the financial year, the Group recorded an increase in the impairment charge of \$0.25 million (2023: impairment charge of \$0.03 million) in respect of its holding of other debt securities.

The largest single exposure in the other debt securities at 30 June 2024 was for an amount of \$149.0 million (2023: \$145.9 million).

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

	2024			2023		
	No. of securities	Investment value \$'000	%	No. of securities	Investment value \$'000	%
<\$10m	11	79,463	8%	9	66,356	7%
\$10m – \$50m	24	633,038	61%	22	575,673	60%
\$50m – \$100m	3	172,664	17%	3	170,912	18%
> \$100m	1	148,973	14%	1	145,909	15%
Total other debt securities	39	1,034,138	100%	35	958,850	100%

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

Corporation's Shadow Credit Rating	2024		2023	
	Value \$'000	%	Value \$'000	%
AAA	52,403	5%	33,482	3%
AA+ to AA-	275,191	27%	232,407	24%
A+ to A-	210,349	20%	192,748	20%
BBB+ to BBB-	456,876	44%	460,986	48%
BB+ to BB-	39,319	4%	39,227	4%
Total loans and advances, net of concessionality and modification discount	1,034,138	100%	958,850	100%

Risk factors are discussed further in Note 6.2.

Impairment allowance – Other debt securities

	2024 \$'000	2023 \$'000
As at 1 July	1,763	1,737
Increase/(Decrease) recognised in impairment loss allowance on financial instruments	276	26
Closing balance at 30 June	2,039	1,763

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

3.1E: Equities and units in trusts

	2024 \$'000	2023 \$'000
Gross funded equities and units in trusts	1,550,106	1,353,826
Cumulative fair value adjustments	228,161	229,434
Equities and units in trusts	1,778,267	1,583,260

All equities and units in trusts are held at FVTPL in 2024 and 2023.

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 2024 was for an amount of \$174.2 million (2023: \$163.6 million).

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

	2024			2023		
	No. of securities	Investment value \$'000	%	No. of securities	Investment value \$'000	%
<\$10m	41	112,371	6%	27	87,594	6%
\$10m – \$50m	12	268,458	15%	11	241,041	15%
\$50m – \$100m	12	831,162	47%	10	694,404	44%
> \$100m	4	566,276	32%	4	560,221	35%
Total equities and units in trusts	69	1,778,267	100%	52	1,583,260	100%

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

Notes to Consolidated Financial Statements

Note 3: Financial position

3.1F: Equity accounted investments

	2024 \$'000	2023 \$'000
Balance at 1 July	475,098	426,360
Investments made during the year	189,294	165,704
Distributions received during the year	(23,839)	(27,320)
Share of income/(loss) of associates and joint ventures		
– through profit and loss	15,657	(2,344)
– through other comprehensive income (Note 2.4A)	6,289	8,150
Disposals and return of capital received	(12,583)	(65,812)
Impairment (charge)/reversal	7,434	(18,752)
Realised losses	(7,945)	–
Reclassifications from FVTPL	–	11,762
Reclassifications to FVTPL	(11,949)	(22,650)
Balance of equity accounted investments at 30 June	637,456	475,098
Loans to associates and joint ventures	27,774	20,929
Total interest in associates and joint ventures	665,230	496,027

	2024		2023	
	Carrying value \$'000	Ownership %	Carrying value \$'000	Ownership %
Equity accounted investments				
Morrison Growth Infrastructure Fund	119,160	25.9%	70,779	25.9%
Octopus Australia Sustainable Investments	114,171	23.4%	77,311	33.0%
My Specialised Accommodation Solutions Holdings	86,891	24.9%	61,248	24.9%
Ellerston 2050 Fund	57,646	49.8%	37,110	49.7%
Wilga Farming Australia	39,374	25.0%	–	0.0%
IFM Growth Partners LP	36,350	36.8%	26,953	36.8%
Transforming Farming Trust	34,913	50.0%	33,093	50.0%
Kiamal Solar Farm	31,039	42.5%	37,467	42.5%
EG Delta – ESG Property Fund	27,121	43.1%	26,893	43.1%
Australian Hospitality Opportunity Fund II	24,871	33.0%	31,574	33.0%
Clean Energy Innovation Fund investments	34,913	21.1%–37.6%	53,402	21.1%–37.6%
Other investments	21,309	25.0%–46.2%	19,268	25.0%–46.2%
Powering Australia Technology Fund investments	9,698	25.5%	–	0.0%
Total investments accounted for using the equity method	637,456		475,098	

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

	2024 \$'000	2023 \$'000
Statement of financial position		
Current assets	116,378	102,535
Non-current assets	774,413	635,370
Current liabilities	139,597	37,282
Non-current liabilities	99,124	204,086
Statement of comprehensive income		
Revenue	67,697	43,763
Net (deficit)/surplus	15,657	(2,344)
Other comprehensive income	6,289	8,150
Total comprehensive income	21,946	5,806

Loans to associates and joint ventures at 30 June 2024 total \$27.8 million (2023: \$20.9 million). The Group has procured a bank guarantee for \$1.8m on behalf of an associate (2023: \$Nil).

At 30 June 2024 the Group had committed to invest up to a further \$140 million (2023: \$266 million) in the above equity accounted investments.

Accounting policy

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

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

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

3.1G: Derivative financial assets

	2024 \$'000	2023 \$'000
Derivative financial assets held for investment purposes (FVTPL)	13,358	14,915
Total derivative financial assets	13,358	14,915

Notes to Consolidated Financial Statements

Note 3: Financial position

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 2024

	Land and buildings \$'000	Plant and equipment \$'000	Computer software \$'000	Total \$'000
As at 1 July 2023				
Gross book value	12,816	7,371	478	20,665
Accumulated depreciation and amortisation	(3,818)	(2,433)	(478)	(6,729)
Total as at 1 July 2023	8,998	4,938	-	13,936
Additions:				
By purchase or internally developed	471	753	-	1,224
Depreciation and amortisation expense	(2,298)	(1,455)	-	(3,753)
Disposals:				
Gross book value	(143)	(564)	-	(707)
Accumulated depreciation and amortisation	143	564	-	707
Total as at 30 June 2024	7,171	4,236	-	11,407
Total as at 30 June 2024 represented by:				
Gross book value	13,144	7,560	478	21,182
Accumulated depreciation and amortisation	(5,973)	(3,324)	(478)	(9,775)
Total as at 30 June 2024	7,171	4,236	-	11,407

Land and buildings comprise ROU assets recognised for office leases.

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

	2024 \$'000	2023 \$'000
Deferred establishment fees income	32,955	26,829
Loan commitment and line fees received in advance	-	-
Total deferred revenue	32,955	26,829

3.3B: Other payables

	2024 \$'000	2023 \$'000
Wages and salaries	13,755	13,243
Superannuation	187	258
FBT liability	9	6
Other	41	36
Total other payables	13,992	13,543

3.4 Interest bearing liabilities

	2024 \$'000	2023 \$'000
Lease liability falling due within 1 year	2,331	2,130
Lease liability falling due between 1 and 5 years	5,411	6,364
Lease liability falling due after 5 years	234	1,152
Total interest bearing liabilities	7,976	9,646

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 2024 are \$8.4 million (2023: \$10.2 million).

3.5 Concession on undrawn loan commitments

	\$'000
As at 1 July 2023	19,938
Additional provisions made	458,026
Amount reversed upon cancellation of loan facilities	(1,387)
Offset to Loans and advances and Other debt securities	(14,269)
Total at 30 June 2024	462,308

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.

	2024 \$'000	2023 \$'000
Appropriations credited to the CEFC Special Account in prior financial years	21,500,000	10,000,000
Appropriations credited to the CEFC Special Account during the year:		
– for Powering Australia Technology Fund	–	500,000
– for Household Energy Upgrades Fund	70,000	–
– for Rewiring the Nation Fund	8,000,000	11,000,000
Total appropriated to 30 June	29,570,000	21,500,000

Contributed Equity

	2024 \$'000	2023 \$'000
Equity from CEFC Special Account		
Opening balance of equity drawn from CEFC Special Account – 1 July	4,926,000	5,426,000
Funds drawn as an equity contribution from the CEFC Special Account	1,060,000	–
Funds returned to the CEFC Special Account	(160,000)	(500,000)
Net amount drawn from/(returned to) the CEFC Special Account in the year	900,000	(500,000)
Closing balance of equity drawn from CEFC Special Account – 30 June	5,826,000	4,926,000
Equity from restructuring of administrative arrangements		
Net assets received from restructuring of administrative arrangements in prior periods	87,363	87,363
Closing contributed equity balance – 30 June	5,913,363	5,013,363

Accounting policy

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

Equity injections

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

Other distributions to owners

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

Restructuring of administrative arrangements

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

Note 5: People and relationships

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

5.1 Employee provisions

	2024 \$'000	2023 \$'000
Annual and long service leave		
Expected to be settled within 12 months	4,690	4,250
Expected to be settled in more than 12 months	1,058	1,095
Total employee provisions	5,748	5,345

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 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 and the Chief People and Culture Officer.

	2024 \$	2023 \$
Short-term employee benefits		
Non-executive Board member fees	454,657	460,413
Executive base salaries	4,171,309	3,829,762
Performance based compensation	1,608,000	1,485,948
Annual leave (paid)/accrued, net	13,403	53,341
Total short-term employee benefits	6,247,369	5,829,464
Post-employment benefits		
Superannuation contributions on behalf of Board members and executives	292,954	258,658
Total post-employment benefits	292,954	258,658
Other long-term employee benefits		
Performance based compensation	804,000	741,860
Long service leave (paid)/accrued, net	57,577	130,881
Total other long-term employee benefits	861,577	872,741
Termination benefits		
Separation and redundancy payments	–	205,532
Total termination benefits	–	205,532
Total key management personnel remuneration expenses	7,401,900	7,166,395

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

	2024 No.	2023 No.
Summary of key management personnel		
Non-executive Directors	7	8
Executives	9	10
Total key management personnel	16	18

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

Mr Tony Concannon until 1 February 2024

Mr Matt Howell

Mr David Jones AM

Mrs Andrea Slattery

Ms Samantha Tough

Ms Nicola Wakefield Evans AM

– **Key management personnel**

Mr Ian Learmonth

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 2024, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2023: \$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 is an independent non-executive director of Lendlease Corporation Limited and Lendlease Responsible Entity Limited, where the CEFC has an equity investment with a carrying value of \$74 million at 30 June 2024 (2023: \$90 million) in Lendlease Real Estate Investments Limited managed Australian Prime Property Fund Commercial Active and Australian Prime Property Fund Commercial Passive (stapled entity).

Ms Nicola Wakefield Evans AM was also an independent voting director of Macquarie Group Limited and Macquarie Bank Limited, until 29 February 2024. In prior periods, the CEFC has entered into the following transactions which are related to Macquarie:

- Invested in fixed rate bonds with a carrying value of \$10 million as at 30 June 2024 (2023: \$25 million)
- The Group has invested \$87 million (2023: \$58 million) in My Specialised Accommodation Solutions Holding Trust and MSAS Services Trust (stapled entity).
- The Group also has an equity investment with a carrying value of \$164 million at 30 June 2024 (2023: \$157 million) in Macquarie Agriculture Fund – Crop Australia and an equity investment with a carrying value of \$78 million at 30 June 2024 (2023: \$74 million) in Macquarie Australian Infrastructure Trust (MAIT) both of which are managed by Macquarie Infrastructure and Real Assets.
- The Group also has investments of \$55 million (2023: \$52 million) in Macquarie Pastoral Fund 1 and Macquarie Pastoral Fund 2 (stapled entities) managed by Macquarie Agricultural Funds Management Limited which is part of Macquarie Asset Management, a division of Macquarie Group Limited.

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 (2023: \$75 million) and during the year entered into a facility agreement to provide a loan in an amount of up to \$100 million (with a current balance outstanding of \$Nil) to Ampol.

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 2024 (2023: Nil).

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, an entity in which it holds a 30% interest, for the management of investments in the Clean Energy Innovation Fund and Powering Australia Technology Fund on CEFC's behalf. Under this IMA, the CEFC paid \$3.3 million for investment management services provided during the year ended 30 June 2024 (2023: \$3.3 million) and an additional \$0.8 million (2023: \$0.8 million) for the quarter ending 30 September 2024. During the year to 30 June 2024, Virescent paid \$40,000 (2023: \$30,000) rent to the CEFC for use of office space.

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 2024 or 2023 that are not disclosed elsewhere in these accounts.

Unquantifiable contingencies

At 30 June 2024 and 2023 the Group had no significant unquantifiable contingencies.

6.2 Financial instruments

6.2A: Categories of financial instruments

Financial assets:

Financial assets 30 June 2024	Amortised cost \$'000	FVTPL \$'000	FVOCI \$'000	2024 Total \$'000
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
Total financial investments	3,126,747	2,405,144	–	5,531,891
Carrying amount of financial assets	4,240,040	2,405,144	–	6,645,184

Financial assets 30 June 2023	Amortised cost \$'000	FVTPL \$'000	FVOCI \$'000	2023 Total \$'000
Cash and cash equivalents	553,831	–	–	553,831
Trade and other receivables	26,576	–	–	26,576
Financial investments				
Loans and advances	2,527,801	9,272	–	2,537,073
Other debt securities	377,917	579,170	–	957,087
Equities and units in trusts	–	1,583,260	–	1,583,260
Derivative financial assets	–	14,915	–	14,915
Total financial investments	2,905,718	2,186,617	–	5,092,335
Carrying amount of financial assets	3,486,125	2,186,617	–	5,672,742

Financial liabilities:

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

	Amortised cost \$'000	FVTPL \$'000	FVOCI \$'000	2023 Total \$'000
Financial liabilities 30 June 2023				
Trade creditors and accruals	3,498	–	–	3,498
Provision for concessional investments	–	19,938	–	19,938
Carrying amount of financial liabilities	3,498	19,938	–	23,436

6.2B: Net gains or losses on financial assets

	2024 Amortised cost \$'000	2024 FVTPL \$'000	2024 Total \$'000	2023 Total \$'000
Cash and cash equivalents				
Interest from cash and short-term investments	29,448	–	29,448	18,225
Foreign exchange loss	–	–	–	(574)
Net gains on cash and cash equivalents	29,448	–	29,448	17,651
Loans and advances				
Interest income and fees	149,410	1,292	150,702	137,697
Unwind of concessional interest rate discount	7,146	759	7,905	7,175
Foreign exchange gain	–	–	–	1,042
Reversal of prior period concessional loan charges	1,448	–	1,448	1,710
Net gains on loans and advances	158,004	2,051	160,055	147,624
Other debt securities				
Interest income from debt securities	15,510	25,217	40,727	36,983
Unwind of concessional interest rate discount	419	846	1,265	1,912
Loss on sale	–	–	–	(3,932)
Profit on sale	–	–	–	8
Fair value gains	–	11,301	11,301	1,402
Fair value losses	–	(34)	(34)	(2,901)
Reversal of prior period concessional loan charges	–	–	–	371
Net gains on other debt securities	15,929	37,330	53,259	33,843
Equities and units in trusts				
Income distributions from equities and units in trusts	–	46,797	46,797	45,523
Loss on sale	–	(7,004)	(7,004)	–
Profit on sale	–	–	–	1,941
Fair value gains	–	117,932	117,932	103,855
Fair value losses	–	(119,206)	(119,206)	(77,461)
Net gains on equities and units in trusts	–	38,519	38,519	73,858
Derivative financial assets				
Fair value gains	–	–	–	4,371
Fair value losses	–	(1,556)	(1,556)	–
Net gains on derivative financial assets	–	(1,556)	(1,556)	4,371
Net gains on financial assets	203,381	76,344	279,725	277,347

The total income from financial assets not at fair value through profit or loss was \$203,381,000 (2023: \$176,848,000).

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 2024 \$'000	Not past due nor impaired 2023 \$'000	Past due or impaired 2024 \$'000	Past due or impaired 2023 \$'000	Total 2024 \$'000	Total 2023 \$'000
Cash and cash equivalents	3.1A	1,081,370	553,831	–	–	1,081,370	553,831
Trade and other receivables	3.1B	31,923	26,576	–	–	31,923	26,576
Financial assets at:							
Amortised cost:							
Loans and advances	3.1C	2,682,682	2,356,103	1,835	171,698	2,684,517	2,527,801
Other debt securities	3.1D	442,230	377,917	–	–	442,230	377,917
FVTPL:							
Loans and advances	3.1C	23,650	9,272	–	–	23,650	9,272
Other debt securities	3.1D	589,869	579,170	–	–	589,869	579,170
Equities and units in trusts	3.1E	1,778,267	1,583,260	–	–	1,778,267	1,583,260
Total financial assets		6,629,991	5,486,129	1,835	171,698	6,631,826	5,657,827
Committed loans and advances	6.5	1,998,593	1,241,432	–	–	1,998,593	1,241,432
Committed other debt securities	6.5	94,946	107,943	–	–	94,946	107,943
Committed trust and equity investments	6.6	463,840	522,085	–	–	463,840	522,085
Total financial asset commitments		2,557,379	1,871,460	–	–	2,557,379	1,871,460
Total credit risk exposure		9,187,370	7,357,589	1,835	171,698	9,189,205	7,529,287

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 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
Total	–	33,671	35,760	176,123	221,629	467,183

Maturities for financial liabilities 2023:

	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	–	3,498	–	–	–	3,498
Provision for concessional loans	–	2,828	7,094	9,618	398	19,938
Total	–	6,326	7,094	9,618	398	23,436

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.

	2024 \$'000	2023 \$'000
Interest bearing financial assets		
Classified as floating rate		
Cash and cash equivalents	1,081,370	553,831
Loans and advances	734,209	466,563
Other debt securities	303,279	225,950
Total classified as floating rate	2,118,858	1,246,344
Classified as fixed rate		
Loans and advances	1,973,958	2,070,510
Other debt securities	728,820	731,137
Total classified as fixed rate	2,702,778	2,801,647
Interest bearing financial liabilities		
Classified as floating rate		
Provision for concessional loans	18,052	7,748
Total classified as floating rate	18,052	7,748
Classified as fixed rate		
Provision for concessional loans	444,256	12,190
Total classified as fixed rate	444,256	12,190

A +/-50bp change in the interest rate on floating rate financial assets would have approximately a \$10.6 million (2023: \$6.2 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 \$20.8 million (2023: \$21.7 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. As long dated bond yields have increased (due to interest rate rises) and occupancy rates have reduced (particularly post COVID with the continuation of work from home), vacancy rates across the major cities have increased and effective rental growth has slowed (and in some cases stalled). This has impacted on the fair value of property assets broadly but particularly in the Australian office market. 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 growth over the next 6–12 months. On this basis, the Group has reduced the carrying value of its associates by c.\$4 million (2023: c. \$9 million) and its investment in equities and units in trusts at fair value by c.\$13.4 million (2023: c.\$31 million) from the net asset positions reported by the funds at 30 June 2024.

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 (2023: 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 Transmission Network Service Providers (TNSPs) and Distribution Network Service Providers (DNSPs) due to its investments through the RTN Fund.

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

6.3 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 2024			2024 Carrying value	
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Total \$'000
Financial assets at fair value					
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
Financial assets for which fair value is disclosed					
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
Total for financial assets	842,577	3,480,124	1,175,657	5,498,358	5,531,891
Financial liabilities at fair value					
Provision for concessional investments	–	–	462,308	462,308	462,308
Total for financial liabilities	–	–	462,308	462,308	462,308

There was no transfer between levels.

	Fair value at 30 June 2023			2023 Carrying value	
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Total \$'000
Financial assets at fair value					
Loans and advances	–	9,272	–	9,272	9,272
Other debt securities	554,737	24,433	–	579,170	579,170
Equities and units in trusts	–	1,390,712	192,548	1,583,260	1,583,260
Derivative financial assets	–	14,915	–	14,915	14,915
Financial assets for which fair value is disclosed					
Loans and advances	–	1,705,605	701,406	2,407,011	2,527,801
Other debt securities	123,880	240,368	–	364,248	377,917
Total for financial assets	678,617	3,385,305	893,954	4,957,876	5,092,335
Financial liabilities at fair value					
Provision for concessional investments	–	–	19,938	19,938	19,938
Total for financial liabilities	–	–	19,938	19,938	19,938

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.

Notes to Consolidated Financial Statements

Note 6: Managing uncertainties

6.4 Concessional loans

	2024 \$'000	2023 \$'000
Loan portfolio		
Nominal value	948,964	815,792
Less principal repayment	(78,178)	(66,793)
Less unexpired discount	(23,190)	(15,534)
Less impairment allowance	(18,979)	(17,994)
Carrying value of concessional loans	828,617	715,471

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 2024 the Group is irrevocably committed to fund loan facilities totalling \$2.00 billion (2023: \$1.24 billion) and to purchase bonds totalling \$95 million (2023: \$108 million).

At 30 June 2024 the Group has entered into agreements to provide loan advances totalling \$2.08 billion (2023: NIL) subject to the occurrence of future uncertain events.

At 30 June 2024 there was NIL (2023: 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 2024 the Group had entered into agreements to make future equity investments totalling \$604 million (2023: \$788 million) comprising \$140 million disclosed in Note 3.1F and \$464 million disclosed in Note 6.2C.

Note 7: Parent entity information

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

7.1 Parent entity accounting policies

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements except as set out below.

Investments in subsidiaries are accounted for at cost.

Dividends received from subsidiaries are recognised in profit or loss when a right to receive the dividend is established, provided that it is probable that the economic benefits will flow to the Parent and the amount of income can be measured reliably.

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

	Notes	2024 \$'000	2023 \$'000
NET COST OF SERVICES			
EXPENSES			
Employee benefits		45,013	42,110
Suppliers		16,797	14,697
Depreciation and amortisation		3,753	3,605
Finance costs		254	213
Concessional loan charges		458,026	15,748
Impairment loss allowance on financial assets		(8,015)	40,459
Losses from sale of assets		14,949	1,983
Total expenses		530,777	118,815
OWN-SOURCE INCOME			
Own-source revenue			
Interest and loan fee revenue		230,041	201,987
Interest on loans to subsidiaries	7.4B	61,483	51,473
Distributions from trusts and equity investments		20,149	22,782
Total own-source revenue		311,673	276,242
Gains and losses			
Fair value losses on financial instruments		(117,942)	(80,828)
Fair value gains on financial instruments		97,957	55,265
Reversal of prior period concessional loan charges		1,448	2,081
Loss on modification of financial assets		(1,988)	4,831
Total net gains/(losses)		(20,525)	(18,651)
Total own-source income		291,148	257,591
Net contribution by/(cost of) services		(239,629)	138,776
Revenue from government		20,811	12,610
Share of associates and joint ventures		(18,080)	(11,947)
Surplus/(loss) from continuing operations		(236,898)	139,439
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Share of associates and joint ventures asset revaluation reserve		4,174	7,626
Items subject to subsequent reclassification to net cost of services			
Share of associates gains/(losses) on financial assets at fair value through other comprehensive income		2,115	4,709
Net fair value gains/(losses) in cash flow reserves		-	(1,602)
Total comprehensive income/(loss)		(230,609)	150,172

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

Notes to Consolidated Financial Statements

Note 7: Parent entity information

7.3 Parent Entity Statement of Financial Position

as at 30 June

	Notes	2024 \$'000	2023 \$'000
ASSETS			
Financial assets			
Cash and cash equivalents		1,081,332	553,643
Trade and other receivables	7.4C	60,979	54,042
Loans and advances		2,708,167	2,537,072
Loans to subsidiaries	7.4B	1,006,617	799,570
Other debt securities		1,032,099	957,087
Equities and units in trusts		986,674	928,175
Equity accounted investments		354,251	278,244
Investment in subsidiaries	7.4A	250	550
Derivative financial assets		13,358	14,915
Total financial assets		7,243,727	6,123,298
Non-financial assets			
Property, plant and equipment		11,407	13,936
Prepayments		2,244	1,921
Total non-financial assets		13,651	15,857
Total assets		7,257,378	6,139,155
LIABILITIES			
Payables and deferred revenue			
Suppliers		4,616	3,527
Deferred revenue		32,954	26,829
Other payables		13,755	13,243
Total payables and deferred revenue		51,325	43,599
Interest bearing liabilities			
Leases		7,976	9,646
Total interest-bearing liabilities		7,976	9,646
Provisions			
Employee provisions		5,748	5,345
Concession on undrawn loan commitments		462,308	19,938
Provision for make good of leased premises		598	594
Total provisions		468,654	25,877
Total liabilities		527,955	79,122
Net assets		6,729,423	6,060,033
EQUITY			
Contributed equity		5,913,362	5,013,363
Reserves		23,820	17,531
Retained surplus		792,241	1,029,139
Total equity		6,729,423	6,060,033

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

7.4 Notes to Parent Entity Financial Statements

7.4A: Investment in subsidiaries

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.

On 19 May 2024, Clean Energy Investment Management Pty Ltd, a 100% subsidiary that the Corporation incorporated on 5 September 2018, was deregistered with the Australian Securities & Investments Commission. All monies owing between the Corporation and Clean Energy Investment Management Pty Ltd were settled in full.

7.4B: Loans to subsidiaries

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 2024: 7.39% (2023: 7.21%)
- Interest payment dates: 15 January and 15 July each year
- Maturity dates: ranging from 30 June 2026 to 12 August 2032.

The balance outstanding at 30 June 2024 was \$1.0 billion (2023: \$799.6 million) and interest receivable for the year amounted to \$33.6 million (2023: \$31.1 million).

7.4C: Trade and other receivables

	2024 \$'000	2023 \$'000
Accrued interest on loan to CEFC Investments Pty Ltd	33,578	31,052
Others	27,401	22,990
	60,979	54,042

Notes to Consolidated Financial Statements

Note 8: Other information**8.1 Current/Non-current distinction for assets and liabilities**

	2024 \$'000	2023 \$'000
ASSETS EXPECTED TO BE RECOVERED IN:		
No more than 12 months		
Cash and cash equivalents	1,081,370	553,831
Trade and other receivables	31,923	26,576
Loans and advances	656,720	251,449
Other debt securities	129,611	107,769
Prepayments	2,244	1,921
Total no more than 12 months	1,901,868	941,546
More than 12 months		
Loans and advances	2,051,447	2,285,624
Other debt securities	902,488	849,318
Equities and units in trusts	1,778,267	1,583,260
Equity accounted investments	665,230	496,027
Derivative financial assets	13,358	14,915
Property, plant and equipment	11,407	13,936
Total more than 12 months	5,422,197	5,243,080
Total assets	7,324,065	6,184,626
LIABILITIES EXPECTED TO BE SETTLED IN:		
No more than 12 months		
Suppliers	4,875	3,498
Deferred revenue	8,175	5,871
Other payables	10,933	10,921
Leases	2,331	2,130
Employee provisions	4,690	4,250
Provision for concession on undrawn loan commitments	28,796	2,828
Total no more than 12 months	59,800	29,498
More than 12 months		
Deferred revenue	24,780	20,958
Other payables	3,059	2,622
Leases	5,645	7,516
Employee provisions	1,058	1,095
Provision for concession on undrawn loan commitments	433,512	17,110
Other provisions	598	594
Total more than 12 months	468,652	49,895
Total liabilities	528,452	79,393

8.2 Segmental information

For management purposes, and in recognition of differing portfolio benchmark return (PBR) targets 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, likely larger exposures with more concessional debt for very large infrastructure projects which:

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

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

Notes to Consolidated Financial Statements

Note 8: Other information

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

	General Portfolio \$'000	Specialised Investment Funds \$'000	Rewiring the Nation \$'000	Group \$'000
NET COST OF SERVICES				
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 on financial assets – associates and joint ventures	(4,683)	(2,751)	–	(7,434)
Losses from sale of assets	5,193	9,756	–	14,949
Total expenses	42,271	32,177	462,670	537,118
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
Total own-source revenue	268,443	978	7,423	276,844
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
Total net gains/(losses)	(28,775)	36,672	–	7,897
Net contribution by/(cost of) services	197,397	5,473	(455,247)	(252,377)
Revenue from government	–	7,279	13,532	20,811
Share of associates and joint ventures	21,281	(5,624)	–	15,657
Surplus/(Loss) from continuing operations	218,678	7,128	(441,715)	(215,909)
Other comprehensive income	6,215	74	–	6,289
Total comprehensive income/(loss)	224,893	7,202	(441,715)	(209,620)

Net assets per segment 30 June 2024

	General Portfolio \$'000	Specialised Investment Funds \$'000	Rewiring the Nation \$'000	Group \$'000
ASSETS				
Financial assets				
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
Total financial assets	6,412,288	368,384	529,742	7,310,414
Non-financial assets				
Property, plant and equipment	6,222	1,825	3,360	11,407
Prepayments	2,243	1	–	2,244
Total non-financial assets	8,465	1,826	3,360	13,651
Total assets	6,420,753	370,210	533,102	7,324,065
LIABILITIES				
Payables and deferred revenue				
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
Total payables and deferred revenue	55,719	(11,859)	7,962	51,822
Interest bearing liabilities				
Leases	4,351	1,276	2,349	7,976
Total interest-bearing liabilities	4,351	1,276	2,349	7,976
Provisions				
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
Total provisions	17,155	7,368	444,131	468,654
Total liabilities	77,225	(3,215)	454,442	528,452
Net assets	6,343,528	373,425	78,660	6,795,613

Notes to Consolidated Financial Statements

Note 8: Other information

Segmented Consolidated Statement of Comprehensive Income
for the year ended 30 June 2023

	General Portfolio \$'000	Specialised Investment Funds \$'000	Rewiring the Nation \$'000	Group \$'000
NET COST OF SERVICES				
EXPENSES				
Employee benefits	36,902	1,920	3,288	42,110
Suppliers	5,007	4,002	5,453	14,462
Depreciation and amortisation	3,605	–	–	3,605
Finance costs	213	–	–	213
Concessional loan charges	15,388	360	–	15,748
Impairment loss allowance on financial assets – loans	22,589	32	–	22,621
Impairment loss allowance on financial assets – associates and joint ventures	16,000	2,752	–	18,752
Losses from sale of assets	1,983	–	–	1,983
Total expenses	101,687	9,066	8,741	119,494
OWN-SOURCE INCOME				
Own-source revenue				
Interest and loan fee revenue	201,674	244	74	201,992
Distributions from trusts and equity investments	45,523	–	–	45,523
Total own-source revenue	247,197	244	74	247,515
Gains and losses				
Fair value gains on financial instruments	81,947	28,723	–	110,670
Fair value losses on financial instruments	(60,822)	(20,114)	–	(80,936)
Gain on reversal of prior period/(loss) on modification of financial assets	4,831	–	–	4,831
Reversal of prior period concessional loan charges	2,081	–	–	2,081
Total net gains/(losses)	28,037	8,609	–	36,646
Net contribution by/(cost of) services	173,547	(213)	(8,667)	164,667
Revenue from government	1,066	3,514	8,030	12,610
Share of associates and joint ventures	1,989	(4,333)	–	(2,344)
Surplus/(Loss) from continuing operations	176,602	(1,032)	(637)	174,933
Other comprehensive income	1,839	4,709	–	6,548
Total comprehensive income/(loss)	178,441	3,677	(637)	181,481

Net assets per segment 30 June 2023

	General Portfolio \$'000	Specialised Investment Funds \$'000	Rewiring the Nation \$'000	Group \$'000
ASSETS				
Financial assets				
Cash and cash equivalents	544,641	4,939	4,251	553,831
Trade and other receivables	26,575	1	–	26,576
Loans and advances	2,531,393	5,680	–	2,537,073
Other debt securities	957,087	–	–	957,087
Equities and units in trusts	1,407,815	175,445	–	1,583,260
Equity accounted investments	442,625	53,402	–	496,027
Derivative financial assets	14,915	–	–	14,915
Total financial assets	5,925,051	239,467	4,251	6,168,769
Non-financial assets				
Property, plant and equipment	13,936	–	–	13,936
Prepayments	1,920	–	1	1,921
Total non-financial assets	15,856	–	1	15,857
Total assets	5,940,907	239,467	4,252	6,184,626
LIABILITIES				
Payables and deferred revenue				
Suppliers	2,970	515	13	3,498
Deferred revenue	26,765	64	–	26,829
Inter-segment payable/(receivable)	5,800	(8,048)	2,248	–
Other payables	11,243	57	2,243	13,543
Total payables and deferred revenue	46,778	(7,412)	4,504	43,870
Interest bearing liabilities				
Leases	9,646	–	–	9,646
Total interest-bearing liabilities	9,646	–	–	9,646
Provisions				
Employee provisions	4,937	23	385	5,345
Concession on undrawn loan commitments	19,138	800	–	19,938
Provision for make good of leased premises	594	–	–	594
Total provisions	24,669	823	385	25,877
Total liabilities	81,093	(6,589)	4,889	79,393
Net assets	5,859,814	246,056	(637)	6,105,233

Notes to Consolidated Financial Statements

Note 8: Other information

8.3 Budgetary reports and explanation of major variances

The following tables provide a comparison of the original Budget for the Group, as presented in the 2023–24 Portfolio Budget Statements (PBS) to the Actual 2023–24 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 2024

	Actual \$'000	Budget ¹ \$'000	Variance ² \$'000
NET COST OF SERVICES			
EXPENSES			
Employee benefits	45,013	55,979	(10,966)
Suppliers	16,949	24,982	(8,033)
Depreciation and amortisation	3,753	3,808	(55)
Finance costs	254	180	74
Concessional loan charges	458,026	653,778	(195,752)
Write-down and impairment of financial assets	(1,826)	192,100	(193,926)
Losses from sale of assets	14,949	–	14,949
Total expenses	537,118	930,827	(393,709)
OWN-SOURCE INCOME			
Own-source revenue			
Interest and loan fee revenue	230,047	239,560	(9,513)
Distributions from trusts and equity investments	46,797	49,728	(2,931)
Total own-source revenue	276,844	289,288	(12,444)
Gains and losses			
Fair value losses on financial instruments	(120,796)	–	(120,796)
Fair value gains on financial instruments	129,233	–	129,233
Loss on modification of financial assets	(1,988)	–	(1,988)
Reversal of prior years' concessional loan charges	1,448	–	1,448
Total gains/(losses)	7,897	–	7,897
Total own-source income	284,741	289,288	(4,547)
Net contribution by/(cost of) services	(252,377)	(641,539)	389,162
Revenue from government	20,811	20,811	–
Share of associates and joint ventures	15,657	–	15,657
Surplus/(loss) from continuing operations	(215,909)	(620,728)	404,819
OTHER COMPREHENSIVE INCOME			
Other comprehensive income/(loss)	6,289	–	6,289
Total comprehensive income/(loss)	(209,620)	(620,728)	411,108

1. The Group's budgeted financial statement that was presented to Parliament in May 2023 in respect of the reporting period (i.e. from the CEFC section in the 2023–24 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 2023–24. Explanations of major variances are provided in Note 8.3B.

Consolidated Statement of Financial Position as at 30 June 2024

	Actual \$'000	Budget ¹ \$'000	Variance ² \$'000
ASSETS			
Financial assets			
Cash and cash equivalents	1,081,370	653,748	427,622
Trade and other receivables	31,923	42,884	(10,961)
Loans and advances	2,708,167	3,448,533	(740,366)
Other debt securities	1,032,099	1,098,873	(66,774)
Equities and units in trusts	1,778,267	1,595,573	182,694
Equity accounted investments	665,230	642,798	22,432
Derivative financial assets	13,358	14,038	(680)
Total financial assets	7,310,414	7,496,447	(186,033)
Non-financial assets			
Property, plant and equipment	11,407	11,872	(465)
Prepayments	2,244	2,075	169
Total non-financial assets	13,651	13,947	(296)
Total assets	7,324,065	7,510,394	(186,329)
LIABILITIES			
Payables and deferred revenue			
Suppliers	4,875	3,689	1,186
Deferred revenue	32,955	38,619	(5,664)
Other payables	13,992	15,725	(1,733)
Total payables and deferred revenue	51,822	58,033	(6,211)
Interest bearing liabilities			
Leases	7,976	7,246	730
Total interest-bearing liabilities	7,976	7,246	730
Provisions			
Employee provisions	5,748	5,454	294
Concession on undrawn loan commitments	462,308	508,156	(45,848)
Provision for make good of leased premises	598	594	4
Total provisions	468,654	514,204	(45,550)
Total liabilities	528,452	579,483	(51,031)
Net assets	6,795,613	6,930,911	(135,298)
EQUITY			
Contributed equity	5,913,363	6,541,362	(627,999)
Reserves	23,820	10,864	12,956
Retained surplus	858,430	378,685	479,745
Total equity	6,795,613	6,930,911	(135,298)

1. The Group's budgeted financial statement that was presented to Parliament in May 2023 in respect of the reporting period (i.e. from the CEFC section in the 2023–24 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 2023–24. Explanations of major variances are provided in Note 8.3B.

Notes to Consolidated Financial Statements

Note 8: Other information
Consolidated Statement of Changes in Equity
for the year ended 30 June 2024

	Retained Surplus			Reserves			Contributed Equity			Total Equity		
	Actual \$'000	Budget ¹ \$'000	Variance ² \$'000	Actual \$'000	Budget ¹ \$'000	Variance ² \$'000	Actual \$'000	Budget ¹ \$'000	Variance ² \$'000	Actual \$'000	Budget ¹ \$'000	Variance ² \$'000
Opening balance												
Balance carried forward from previous year	1,074,339	999,413	74,926	17,531	10,864	6,667	5,013,363	5,533,362	(519,999)	6,105,233	6,543,639	(438,406)
Comprehensive income												
Deficit for the year	(215,909)	(620,728)	404,819	-	-	-	-	-	-	(215,909)	(620,728)	404,819
Other comprehensive income	-	-	-	6,289	-	6,289	-	-	-	6,289	-	6,289
Total comprehensive income	(215,909)	(620,728)	404,819	6,289	-	6,289	-	-	-	(209,620)	(620,728)	411,108
Transactions with owners												
Contributions by owners												
Net equity injection from/(to) Special Account	-	-	-	-	-	-	900,000	1,008,000	(108,000)	900,000	1,008,000	(108,000)
Total transactions with owners	-	-	-	-	-	-	900,000	1,008,000	(108,000)	900,000	1,008,000	(108,000)
Closing balance as at 30 June	858,430	378,685	479,745	23,820	10,864	12,956	5,913,363	6,541,362	(627,999)	6,795,613	6,930,911	(135,298)

1. The Group's budgeted financial statement that was presented to Parliament in May 2023 in respect of the reporting period (i.e. from the CEFC section in the 2023-24 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 2023-24. Explanations of major variances are provided in Note 8.3B.

Consolidated Cash Flow Statement for the year ended 30 June 2024

	Actual \$'000	Budget ¹ \$'000	Variance ² \$'000
OPERATING ACTIVITIES			
Cash received			
Receipts from government	20,811	20,811	–
Interest and fees	231,914	212,649	19,265
Distributions from trusts and equity investments	45,462	46,719	(1,257)
Total cash received	298,187	280,179	18,008
Cash used			
Employees	43,542	53,345	(9,803)
Suppliers	17,861	24,982	(7,121)
Interest payments on lease liabilities	198	180	18
Total cash used	61,601	78,507	(16,906)
Net cash from operating activities	236,586	201,672	34,914
INVESTING ACTIVITIES			
Cash received			
Principal loan repayments received	540,817	681,042	(140,225)
Sale of other debt securities	63,880	24,478	39,402
Sale of equities and units in trusts	2,800	132,543	(129,743)
Sale of investment in associates and joint ventures	12,582	13,221	(639)
Distributions from associates and joint ventures	23,640	–	23,640
Total cash received	643,719	851,284	(207,565)
Cash used			
Loans made to other parties	742,064	1,495,853	(753,789)
Purchase of other debt securities	118,988	94,415	24,573
Purchase of equities and units in trusts	193,842	155,816	38,026
Investment in associates and joint ventures	194,981	80,085	114,896
Purchase of property, plant, equipment and computer software	749	1,280	(531)
Total cash used	1,250,624	1,827,449	(576,825)
Net cash from/(used by) investing activities	(606,905)	(976,165)	369,260
FINANCING ACTIVITIES			
Cash received			
Contributed equity	1,060,000	1,408,000	(348,000)
Total cash received	1,060,000	1,408,000	(348,000)
Cash used			
Return of equity	160,000	400,000	(240,000)
Principal payments of lease liabilities	2,142	2,298	(156)
Total cash used	162,142	402,298	(240,156)
Net cash from/(used by) financing activities	897,858	1,005,702	(107,844)
Net increase/(decrease) in cash held	527,539	231,209	296,330
Cash and cash equivalents at the beginning of the reporting period	553,831	422,539	131,292
Cash and cash equivalents at the end of the reporting period	1,081,370	653,748	427,622

1. The Group's budgeted financial statement that was presented to Parliament in May 2023 in respect of the reporting period (i.e. from the CEFC section in the 2023–24 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 2023–24. Explanations of major variances are provided in Note 8.3B.

Notes to Consolidated Financial Statements

Note 8: Other information

8.3B: Major budget variance for 2023-24

Affected line items	Explanations of major variances
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME:	
Employee benefits	The Group has spent \$11.0m less than budget on employee benefits. This is largely a result of hiring fewer new staff than budgeted as well as timing differences with new hires being made later in the financial year than budgeted, including roles relating to RTN.
Suppliers	The expense recorded against suppliers is \$8.0m less than budget due to savings in expenses such as consulting fees, professional fees and travel related costs.
Concessional loan charges, Reversal of prior years' concessional loan charges and Loss on modification of financial assets	The budget had assumed concessional loan charges of \$653.8m, including \$641.7m for RTN loans, but the actual net concession and loan modification charge was \$457.5m, a positive net variance of \$195.2m. Some highly concessional loans, to support RTN, new technologies or strategic projects, that were included in the budget have not yet reached contractual close.
Write down and impairment of financial instruments	The Group's impairment provision expense for the year was a net reversal of \$1.8m resulting in a favourable variance of \$193.9m 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.
Loss on sale of assets	The Corporation does not usually budget for profits or losses on sale of assets. The net loss of \$14.9m relates to CEFC's investment in four early-stage companies that are being liquidated. This realised loss is the reclassification of unrealised losses that had been recognised in prior years through either a fair value adjustment on equity investments carried at FVTPL or an impairment charge on investments classified as Associates and Joint Ventures.
Interest and loan fee revenue	Interest and loan fee revenue is \$9.5m lower than budget, principally due to new loan investments being funded later than was assumed in the budget.
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 \$129.2m relate mostly to Equities and units in trusts, mainly in the agriculture and infrastructure sectors and some Innovation Fund investments. Fair value losses of \$120.8m relate primarily to a reduction in the value of Equities and units in trusts, mainly in the property sector and early stage investments.
Share of associates and joint ventures	Due to the inherent uncertainty in predicting future changes in the value of financial assets that are largely driven by macro-economic indicators that are largely outside the control of the Corporation, the CEFC does not generally budget for share of associates and joint ventures. The actual of \$15.7m is the net result for all of the Corporation's equity accounted investments with the share of results of individual investments ranging from a gain of \$13m to a loss of \$7m.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND CONSOLIDATED STATEMENT OF CHANGES IN EQUITY:	
Cash and cash equivalents	Cash and cash equivalents are \$427.6m higher than budget, due to net cash outflows for investing activities \$369.3m lower than budgeted and other variances as discussed under Consolidated Cashflow Statement.
Loans and advances	Loans and advances are \$740.4m lower than budget. This is due to lower than budget deployment towards the end of the prior year and in the current year as discussed under Consolidated Cashflow Statement.
Other debt securities	Other debt securities are \$66.8m lower than budget. This is mainly because a commitment in connection with a bank aggregation program had only been partially funded at year end as the CEFC only purchases bonds to match the banks' on-lending to eligible borrowers.
Equities and units in trusts	Equities and units in trusts are \$182.7m higher than budget. The budget had assumed the sale of some property fund investments to ensure compliance with s58(3) of the CEFC Act. The planned reduction did not occur due to a combination of the current state of the market and the sale not being required to comply with s58(3).

Affected line items	Explanations of major variances
Equity accounted investments	Equity accounted investments are \$22.4m higher than budget due to a combination of the Group's share of associates' comprehensive income and timing differences on when investments called for new funds.
Concession on undrawn loan commitments	Provisions for loan commitments is \$45.8m lower than budget due to a combination of lower than budgeted concession expense and loans drawing slower than budgeted.
Contributed equity	Contributed equity is \$628m lower than budget. The opening balance at 1 July 2023 was \$520m lower than budgeted and net draws from the Special Account during the year \$108m less than budgeted. These variances are due to lower than budgeted investing outflows requiring funding in both 2023 and 2024.
Reserves	Reserves are \$13.0m higher than budget, due to changes in the Group's share of the reserves of investments classified as associates.
Retained surplus	The retained surplus at 30 June 2024 is \$479.7m higher than budget due to the opening balance at 1 July 2023 being \$74.9m higher than budgeted and the higher than budgeted surplus generated in the year discussed under Consolidated Statement of Comprehensive Income above.
Total equity	Total equity at 30 June 2024 is \$135.3m lower than budget due to: lower than budgeted Contributed equity \$628m partly offset by higher than budget Reserves \$13.0m and Retained surplus \$479.7m as described above.

CONSOLIDATED CASH FLOW STATEMENT:

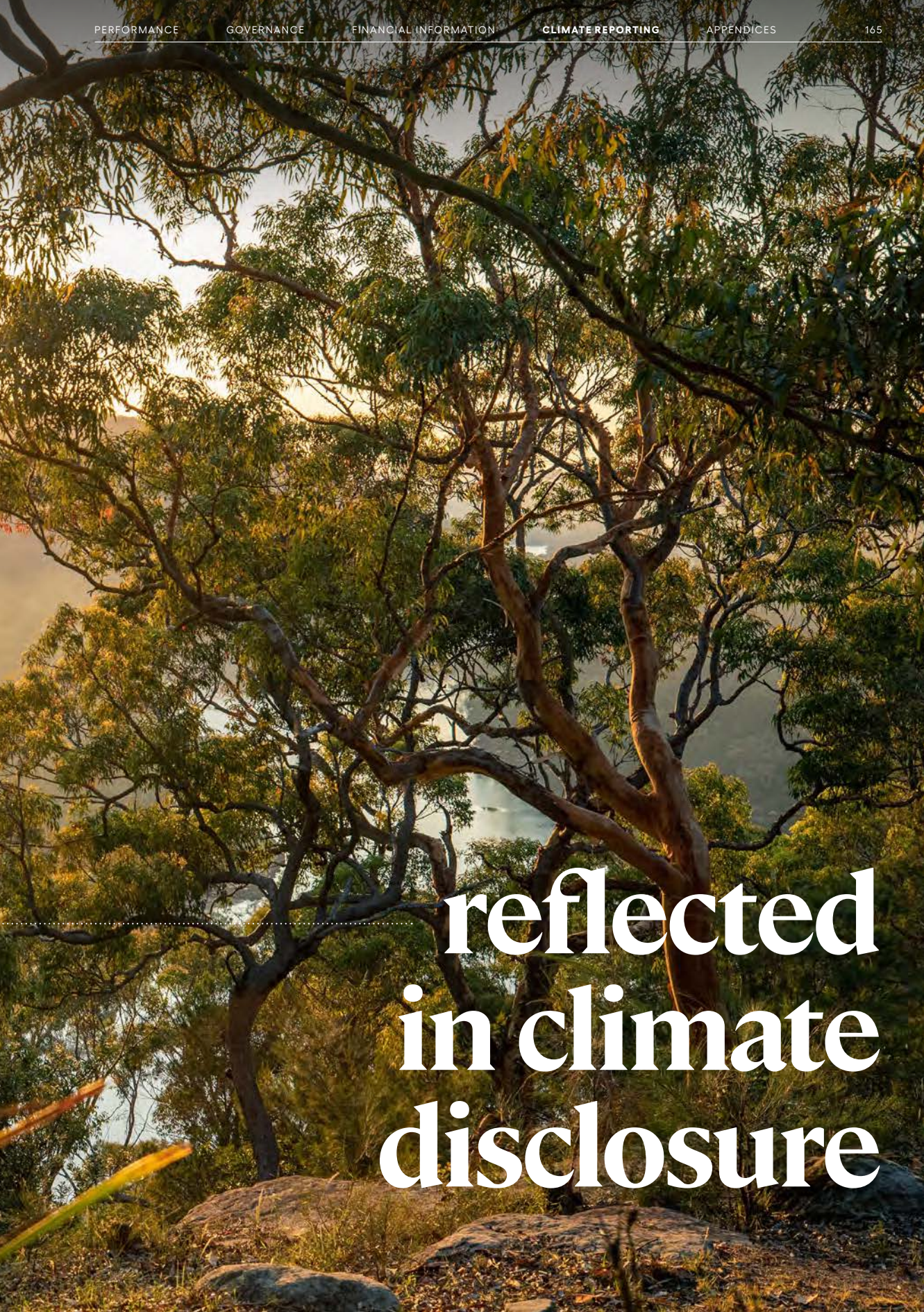
Net cash from operating activities	The \$34.9m positive variance to budget is primarily attributable to higher than budgeted interest receipts and lower than budgeted spend on employees and suppliers.
Principal loan repayments received	Principal loan repayments received are \$140.2m lower than budget due to the forecast sale of one loan for \$100m, in order to comply with CEFC Act s58(3), that is no longer required to be sold.
Sale of other debt securities	Proceeds from the sale of other debt securities are \$39.4m higher than budget due to early repayment by a non-bank lender after transferring some of their end borrowers out of a facility funded by the CEFC into a new warehouse funding arrangement.
Sale of equities and units in trusts	Proceeds from the sale of equities and units in trusts were \$129.7m lower than budget. The planned reduction in the Group's investment in certain property fund investments did not occur to the extent budgeted due to a greater number of other investors also wishing to participate in funds' liquidity windows and offering units for sale in the secondary market.
Distributions from and sale of associates and joint ventures	Distributions from and proceeds from the sale of (i.e. returns of capital) investments in associates and joint ventures are \$23.0m higher than budget, primarily due to an Associate distributing the proceeds of the sale of one of their portfolio investments.
Loans made to other parties	Cash used to fund loans made to other parties is \$753.8m 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, including budgeted draws of \$506m for new RTN loans.
Purchase of other debt securities	The amount invested in other debt securities during the year is \$24.6m above budget due to investment in non-bank lenders' warehouse funding arrangements to support financing of zero emissions vehicles.
Purchase of equities and units in trusts	Purchase of equities and units in trusts is \$38.0m higher than budget due to timing differences of when funds were budgeted to be called and when they were actually called.
Contributed equity and Return of equity	The net amount drawn from the CEFC Special Account was \$108m lower than budget due to net investing outflows occurring later than budgeted. During the year, the Corporation returned \$160m, received from borrowers repaying their loans early, to the CEFC Special Account and drew \$1,060m from the Special Account to fund investments forecast to draw in the near future (General Portfolio \$430m, RTN \$520m, PATF \$95m and HEUF \$15m).
Cash and cash equivalents at the beginning of the reporting period	Cash and cash equivalents at 1 July 2023 were \$131.3m higher than budget, mainly due to lower than budgeted investing outflows towards the end of the previous financial year.
Cash and cash equivalents at the end of the reporting period	Cash and cash equivalents at 30 June 2024 are \$427.6m higher than budget, mainly due to the opening balance \$131.3m higher than budgeted, net cash outflows for investing activities \$369.3m lower than budget and the other cash flow variances discussed above.

Climate reporting

Climate disclosure	166
Environmental, Social and Governance report	191
Ecologically Sustainable Development and Environmental Performance report	196



Transparency, accountability, credibility



reflected
in climate
disclosure

Climate disclosure

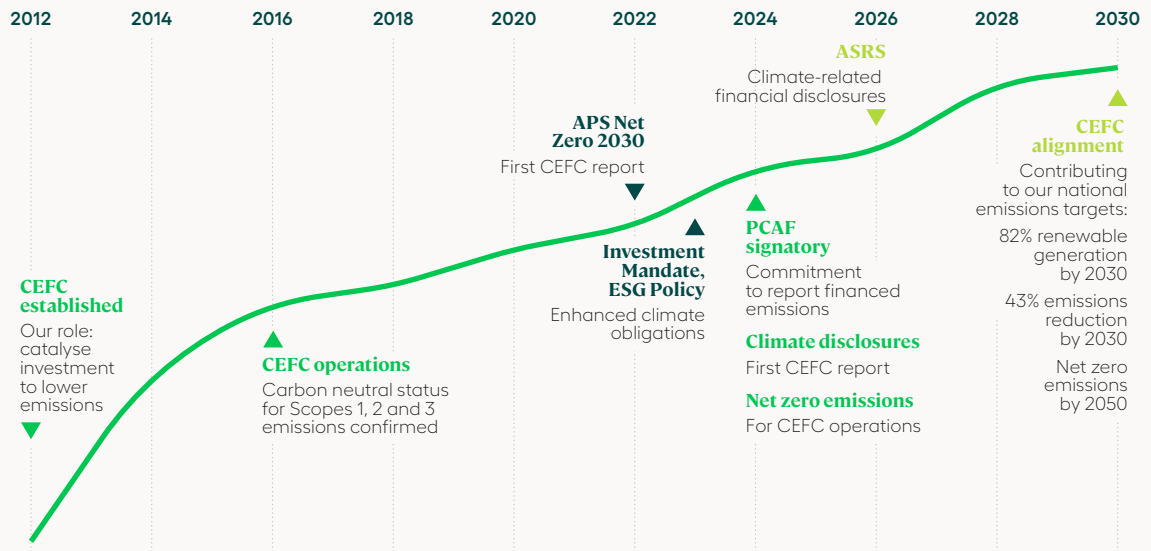
Commonwealth Climate Disclosure is the Australian Government policy for Commonwealth entities and companies to publicly report on their exposure to, and management of, climate risks and opportunities. This must be disclosed in their annual reports.

The policy is intended to complement the Australian Treasury's mandatory climate financial disclosures for the private sector, empowering the AASB to issue internationally aligned sustainability reporting standards to which large Australian businesses and financial institutions must comply.

The CEFC plays a crucial role in contributing to the achievement of Australia's transition to a net zero economy by 2050. In this report we set out our inaugural climate disclosures, covering both our corporate and investment activities. We have also taken the important step of reporting on our financed emissions.

The CEFC supports climate disclosures to provide greater transparency, accountability and credibility. We also recognise that climate disclosure assists in demonstrating our role in the delivery of Australia's emissions reduction targets under the Paris Agreement and the Australian Public Service Net Zero by 2030 target. While we are required to publish these disclosures from the 2024-25 reporting year, we have nevertheless elected to commence this reporting a year in advance.

Figure 40: CEFC contribution to Australia's emissions reduction agenda



Governance

Corporate responsibility and accountability

The CEFC Board is responsible for approving the ESG Policy and overseeing the continued integration of ESG risks and opportunities in our governance documentation. This includes climate risk and disclosures. The Audit and Risk Committee assists the Board with oversight of the CEFC risk profile, which includes material climate-related risks.

The CEFC approach to climate risk management and disclosure is in accordance with the overarching CEFC Investment Mandate, ESG Policy and Risk Management Framework. Under this framework, climate risks and opportunities are considered, consistent with our broader policies and guidelines.

The Board is apprised of matters relevant to climate risk and disclosures for CEFC and the investment sector more broadly. This includes an ongoing program of briefings to ensure the Board remains abreast of developments relevant to investment thematic and corporate responsibilities.

Managing climate-related risks, opportunities

In assessing climate risk and opportunities and developing our inaugural climate disclosures, the CEFC has made recent investment in capability, training and resources. This enables more proactive evaluation of our investments across the investment lifecycle and our corporate activities, as we identify:

- Opportunities to leverage existing broader risk management frameworks that are already in place and include climate risk management and mitigation requirements
- The most material climate risks and, where possible seek to mitigate the potential negative impact
- Activities where we can positively impact targeted climate related matters.

Climate risks and opportunities are assessed iteratively through our committees and operational activities, reflecting the Investment Mandate, Risk Management Framework and ESG Policy, as well as evolving industry practice.

Structures and accountability

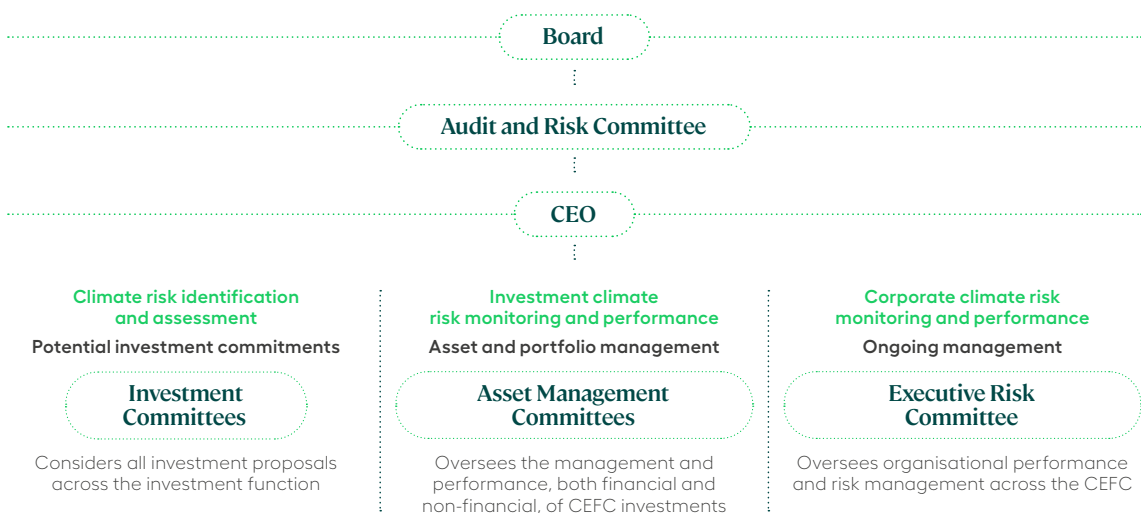
Climate risk screening is undertaken on each investment as part of the investment screening process. Where appropriate, counterparty obligations are established to manage material climate risks and opportunities through the investment cycle. The performance of an investment is monitored and measured for impact and onward disclosure.

Trade-offs and policy constraints associated with our purpose, climate risk considerations and broader sustainability outcomes are considered in line with our governance framework. For example, the benefits of new utility scale renewable generators and the heightened potential risk of harm to biodiversity if not managed effectively. Our ESG Policy sets out our material factors and risks, including our commitment to consideration of biodiversity, labour practices and social licence outcomes alongside decarbonisation.

In 2024, the CEFC commissioned an external review of our climate governance and disclosures. The review highlighted opportunities to reinforce our policies and enact changes to our governance to strengthen our overall practices, including:

- Tailored education and training for the Board
- Updating the Risk Management Framework and Risk Appetite Statement to specifically reference climate risk
- Formalising climate risk considerations in the investment screening lifecycle
- Using forward looking scenarios to enhance risk assessment at an investment level.

Figure 41: Climate-related risk accountability



Climate disclosure

Strategy

Maximising our impact

The CEFC climate strategy is centred in its investment priorities and alignment with the Australian Government commitment to achieve net zero emissions by 2050, including an interim target to reduce greenhouse gas emissions by 43 per cent by 2030. The commitments are set out in the *Climate Change Act 2022*.

The commitments form part of Australia's Nationally Determined Contribution (NDC) to the United Nations Framework Convention on Climate Change (UNFCCC). The CEFC, through its Investment Mandate, has a critical role in the Government's efforts to secure a net zero future, through its investment activities which are inherently sustainable in nature. Therefore, the CEFC sees climate risk and disclosure as a strategic tool to manage our investments and provide leadership to the market.

Approach to emissions targets

During the 2023-24 reporting year, the CEFC expanded its suite of metrics tracking decarbonisation to better reflect its multi-faceted role in helping deliver the Government's targets:

82 per cent renewable energy generation by 2030

- corporate KPIs linked to facilitating new renewable energy generation, storage and transmission capacity, aligned with the AEMO ISP and State and Territory priorities.

43 per cent emissions reduction by 2030 and net zero by 2050

- introduction of reporting of financed emissions (covering emissions in the 2022-23 year). This is a critical measure by which to track absolute emissions and progress towards a net zero goal. While reporting avoided emissions (as we currently do) is an important metric, it only evidences part of the emissions reduction task. As we focus our investment activity on harder-to-abate sectors, we need a more holistic approach to assess abatement outcomes as well as residual emissions related to our investments. We recognise our financed emissions may temporarily increase depending on the nature of the investments we make throughout the course of a year, before decreasing in the longer term. However, it is a signal of our intent that we deploy our capital to tackle emissions reductions in the more challenging sectors, while continuing to align our portfolio to Australia's net zero target. Quantifying financed emissions provides a globally comparable metric across the finance sector.

Our climate strategy includes a concerted effort to make a step change in our climate disclosures to align with industry best practice and enable us to share learnings ahead of mandatory climate disclosure. This includes reporting on financed emissions for the first time.

First climate physical risk assessment

During the 2023-24 reporting year we also completed the first climate physical risk assessment across our portfolio. We used a climate risk analytics tool to assess the impact of Intergovernmental Panel on Climate Change (IPCC) temperature scenarios, modelling indicative financial average annual loss. This initial analysis coupled with our transition risk assessments will help support the development of a broader CEFC Climate Transition Plan during 2024-25. Given our Investment Mandate, the CEFC has a core focus on climate mitigation. However, where there is an opportunity to realise positive adaptation outcomes, we may also seek those co-benefits. For example, investments that facilitate increased energy efficiency in homes through better insulation can also increase the resilience of those homes under various climate scenarios.

A key aspect of our corporate strategy is to build capability across government and industry. The CEFC proactively engages with government departments and agencies, industry peak bodies and standard setting entities, contributing to the economy-wide approach to climate change and decarbonisation. Further, as an integral part of our learning and development program, the CEFC has invested in specific training and support to enhance our capability and capacity.

Operational model and regulatory change

Our operational model is enhanced by reference to evolving international and national standards and frameworks on climate disclosure. Our climate risk modelling incorporates IPCC and Network for Greening the Financial System (NGFS) climate scenarios to assess impacts on our value chain. As standards are updated, our approach to risk modelling and climate scenarios will be refined.

Financed emissions trajectory

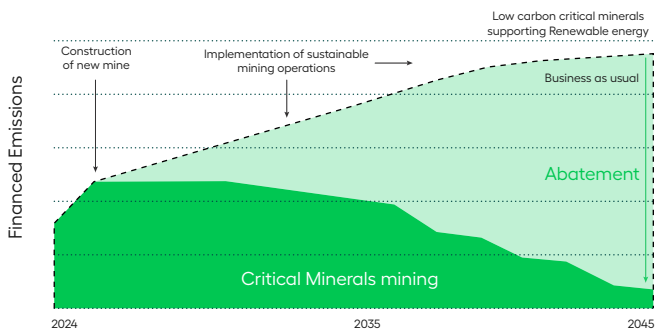
The CEFC is building a portfolio of investments that are aligned with Australia's net zero by 2050 target. We seek to support the transition of the broader Australian economy, including carbon intensive sectors and activities required to support a low carbon future. As such, we expect to see our financed emissions increase in the short to medium 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
- Invest in emission intensive sectors that are indirectly supporting the net zero transition, such as critical minerals mining and processing.

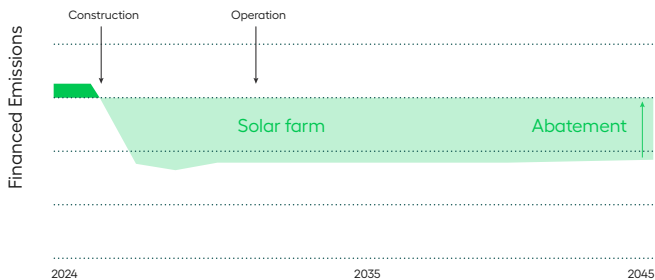
Financed emissions and emissions abatement operate on a range of timeframes, depending on the sector and project. Refer to Figure 42 which compares the project lifecycle of three hypothetical investments and their illustrative financed emissions and emissions abatement profiles.

While our financed emissions may grow in the short to medium term, the emissions abatement from our investments will also grow with the potential to exceed financed emissions.

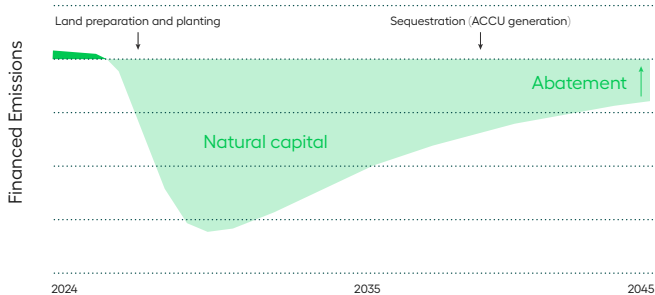
Figure 42: Financed emissions: illustrative net zero trajectories



Investment in **critical minerals mining** can support supply of the minerals required for the transition to a low carbon economy, including those for use in renewable energy and battery technology components.



Solar farms have a short construction phase with emissions associated with the use of diesel-powered construction machinery followed by a long operational phase generating renewable energy, with minimal operational emissions.



Natural capital investments such as environmental plantings or forestry have a period of land preparation and planting, which generates emissions, followed by a long period of negative emissions owing to sequestration, during which ACCUs can be created.

Note:
Images are for illustrative purposes and do not represent specific CEFC investment commitments.

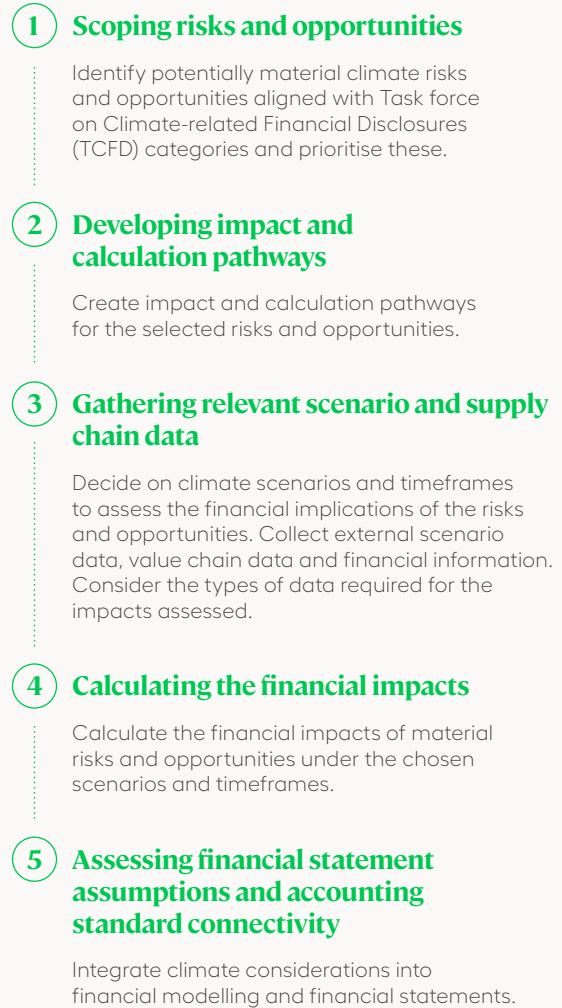
Climate disclosure

Risk management

Approach to scenario analysis

The CEFC exists to facilitate increased flows of finance into the clean energy sector and to facilitate the achievement of Australia's greenhouse gas emissions reduction targets, including net zero emissions by 2050. CEFC investments are considered well positioned to benefit from the transition to net zero and therefore, are expected to have limited transition risks relative to market contemporaries. However, we are not immune from the physical risks of climate change given the indiscriminate nature of physical hazards to assets, the scale of our investments across multiple sectors and geographies, specific technology dependency and supply chain impacts.

Figure 43: Assessing climate-related financial impact¹



Note:

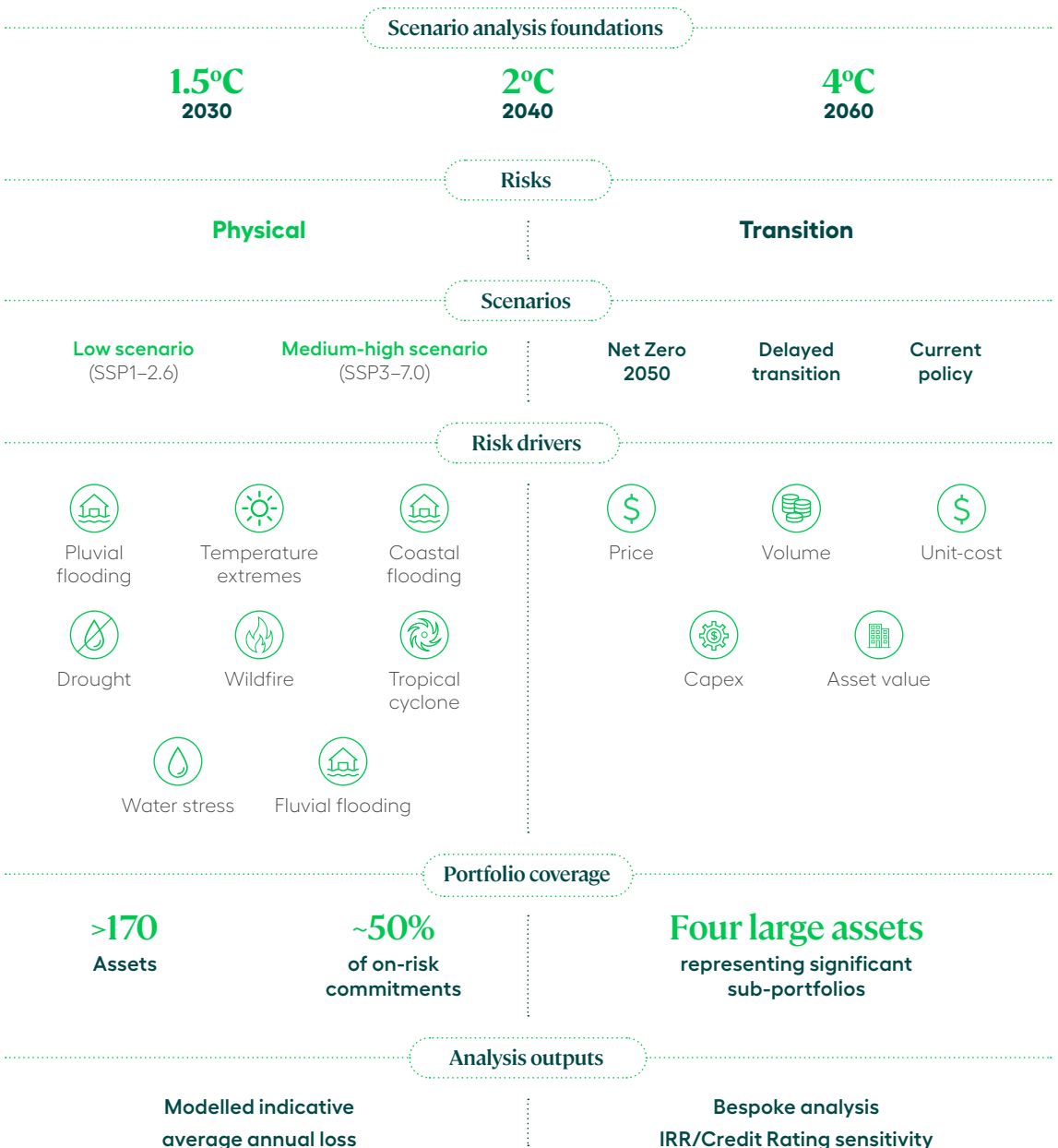
1. World Business Council for Sustainable Development (WBCSD), *Climate-related Financial Impact Guide*, WBCSD, 2024, p 5.

Scenario analysis

In 2023–24, the CEFC undertook its first climate scenario analysis based on a sample of assets that were generally representative of the diverse portfolio. This informed our view of risk exposure and the materiality thereof, from portfolio risk and return perspectives.

The inaugural scenario analysis was a higher order assessment that will be refined over time, particularly as additional and/or specific asset level analysis is undertaken. The scenarios and their targeted use in our investment process will evolve as our climate assessment approach matures. The risks and opportunities identified across our value chain are a valuable input into our investment and portfolio activities.

Figure 44: Primary attributes of CEFC climate scenario analysis



Climate disclosure

Physical risk analysis

Given the magnitude of the CEFC investment portfolio relative to our corporate operations, we structured our scenario analysis to focus on the financial risk associated with our investments, where climate risks would be most material. The nature of CEFC investment allocation (driven by our Investment Mandate) results in a higher representation of some sectors, such as renewable energy, transmission, property and infrastructure.

The CEFC portfolio comprises a broad range of financial products and structures that includes large single asset exposures, as well as investments in managed funds and other channels to market that lead to numerous (in some cases thousands of) geographically and technically diverse exposures.

As such, the CEFC assessment, using modified S&P Global's Climonomics® platform outputs, prioritised investments with physical projects and assets covering more than 170 investment commitments, representing approximately half of our on-risk investment commitments at 30 June 2024.

Exclusions by investment type

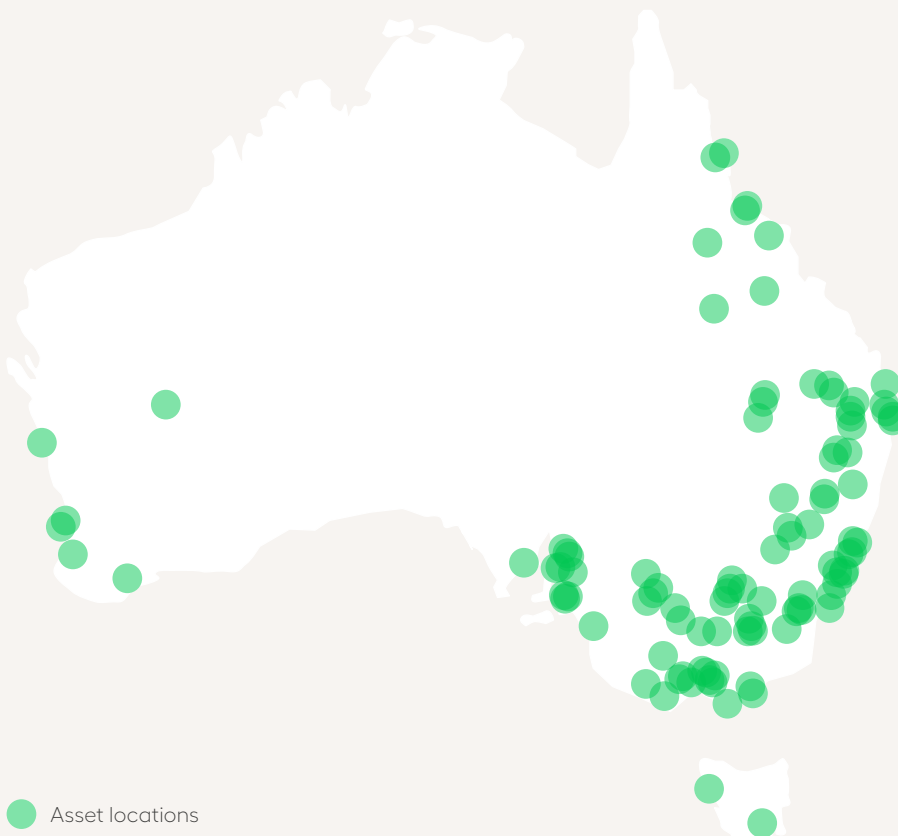
The following investment types were excluded from the analysis:

- National SME and consumer lending program investments – loan volumes can be in the thousands and spread nationally
- Managed fund investments into multiple companies or projects
- Green bonds
- Selective diversified corporate investments where measurement is impractical, and risks are limited
- Non-deployed commitments.

Geographic exposure

Our investments and assets are located across Australia. The assets assessed are subject to a range of climatic and specific geographical exposures. Refer to Figure 45.

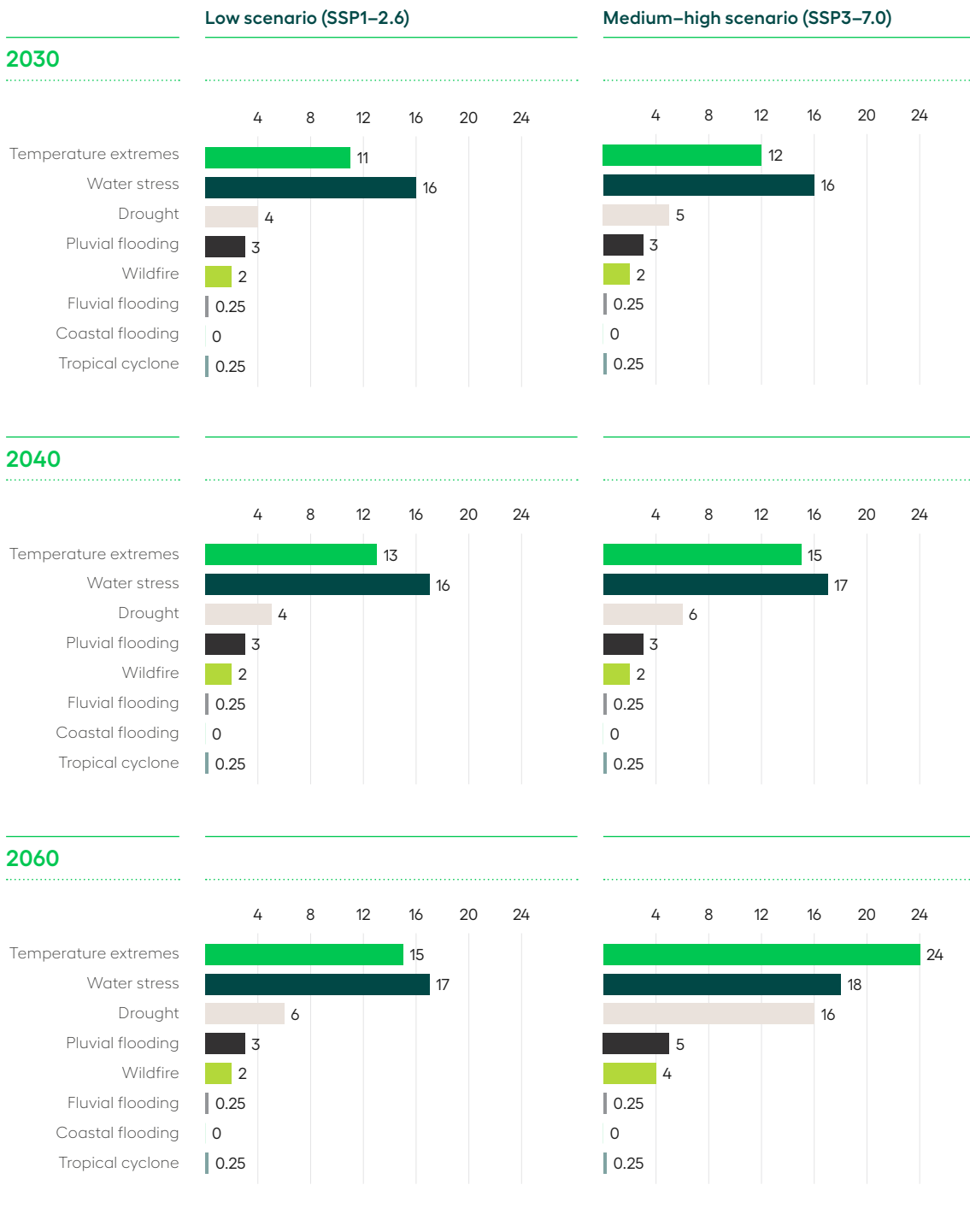
Figure 45: Physical risk and geographic exposure



Physical risk hazard exposure

Overall, the physical risk analysis suggests water stress is relatively material but stable across all scenarios and timeframes. However, the more material risks of temperature extremes and drought become more pronounced over longer time horizons and in the higher temperature scenario. Refer to Figure 46.

Figure 46: Illustrative physical risk hazard exposure



Climate disclosure

Portfolio relative physical risk value

In terms of assessing value at risk:

- The agriculture sector, while offering significant potential for carbon abatement and removal, indicates a higher physical risk predominantly due to the impact of temperature extremes. Diversification is a key strategy to mitigate and manage potential exposure. Where there is potential exposure to agronomic risk, due diligence is undertaken on all potential new CEFC investment commitments. These investments are also subject to range of sustainability plans, with targets for carbon sequestration in vegetation and soil. Co-benefits aim to enhance asset resilience via improved soil salinity, water infiltration rates and holding capacity.
- In the renewables sector, water stress is a relatively low risk, however, the CEFC has a more significant financial exposure to this sector in its portfolio. There are risks within CEFC investments in hydrogen manufacturing and to a lesser degree, solar farm operations.

Figure 47: Illustrative CEFC portfolio relative value at risk by sector

Hazard	Agriculture	Infrastructure	Manufacturing, resources	Property	Renewables	Transmission	Waste
Coastal flooding	Low	Low	Low	Low	Low	Low	Low
Drought	1-1.5x	Low	1-1.5x	Low	Low	Low	Low
Fluvial flooding	Low	Low	Low	Low	Low	Low	Low
Pluvial flooding	Low	Low	Low	Low	Low	Low	Low
Temperature extremes	> 1.50x	Low	1-1.5x	1-1.5x	Low	Low	Low
Tropical cyclone	Low	Low	Low	Low	Low	Low	Low
Water stress	Low	1-1.5x	Low	1-1.5x	> 1.50x	Low	Low
Wildfire	Low	Low	Low	Low	Low	Low	Low

■ Low
 ■ <1x
 ■ 1-1.5x
 ■ > 1.50x

Note:
Table shows CEFC portfolio relative physical risk value per sector for temperature increases of greater than 3°C by 2050. Darker green equates to increase in relative risk. Water stress refers to a percentage value indicating the extent to which returning water supply matches water demand.

Transition risk analysis

Given the CEFC invests to facilitate Australia's transition to net zero emissions, our working hypothesis ahead of conducting scenario analysis was that the portfolio would be relatively well insulated from transition risk as our investments would be net beneficiaries of the transition. An example of this might be CEFC involvement in a sector with material exposure to a carbon price in its supply chain. CEFC investment would support the company's efforts to accelerate its transition to net zero, reducing its carbon exposure, and, as a result, potentially reducing financing and operating costs, compared to the counterfactual. To test this hypothesis, the CEFC undertook, with the support of Oliver Wyman, a financial services consultancy, a transition-focused climate scenario "proof of concept" analysis on four investments spanning our key sectors. See Figure 48.

Analysis objectives:

- Testing CEFC assets for transition risk "blind-spots"
- Demonstrating the climate scenario analysis approach and methodology which can be expanded across the portfolio.

Analysis selection criteria:

- The CEFC has a large existing commitment
- The asset has relevance to a broader subset of the current portfolio i.e. the approach could potentially be replicated and applied to other assets
- The sector/technology aligns with the CEFC investment strategy and portfolio diversity
- Availability of sufficient public (or CEFC accessible) information to conduct the analysis
- Limited opportunity to leverage external manager's or sponsor's own climate risk analysis.

Figure 48: Scope of CEFC transition risk assessment – sector focus

Asset class	Sector	Example scenario event and resulting impact drivers	Material downside potential impact
Debt	Energy infrastructure	Net Zero 2050, delayed transition + shocks: <ul style="list-style-type: none"> - Impact on borrower earnings due to inability to fully recover increased cost of materials (steel, aluminium and concrete) due to higher carbon price - Increased labour costs due to tightening labour market. 	One notch credit rating downgrade
	Renewables	Delayed transition + shocks: <ul style="list-style-type: none"> - Construction delays impact generation which defers electricity sales and capital expenditure recovery - Supply chain constraints due to labour and material costs. 	One–two notch credit rating downgrade
Equity	Agriculture	Net Zero 2050: <ul style="list-style-type: none"> - Rising operational costs due to input costs (chemicals, fertiliser, fuel) from higher carbon price - Reduced pastureland terminal value attributable to reduced livestock demand - Upside due to pastureland conversion to either cropping or carbon farming. 	<-2% impact on IRR
	Property	Delayed transition: <ul style="list-style-type: none"> - Capex cost to replace gas amenities. Negligible electricity cost increase. 	Negligible IRR impact

Climate disclosure

Scenario analysis summary

The overall physical risk of the CEFC portfolio is considered relatively low. It is generally accounted for by our established financial provisioning and broader approach to managing the portfolio.

Similarly, the transition risk analysis, which assumed material downside scenarios (and no reactive management intervention taken to mitigate), indicates that these assets and the broader portfolio they represent, have a moderately low impact resulting from potential climate change.

While the findings provide comfort, the CEFC is not immune from climate risk. The character of our portfolio, and our exposure to risk will evolve over time. There are a discrete number of low-level impacts across the portfolio. Further, there is the potential that more significant impacts may materialise from risk drivers in the future.

Scenario analysis conclusions

The initial CEFC climate risk and opportunities analysis indicates that the climate change scenarios assessed could have a marginal impact on our investment portfolio.

Therefore, no provisions relating to climate risk specifically have been made in the CEFC financial statements for the 2023–24 reporting year.

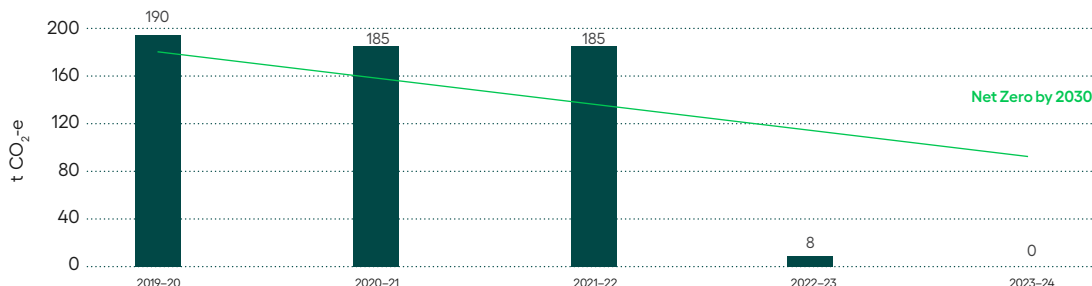
The analysis undertaken in the 2023–24 reporting year is a starting point and we will continue to evolve our analysis and report any material financial forecast impacts should more material risks be identified in the 2024–25 reporting year.

Climate metrics and targets

CEFC corporate emissions and net zero targets

As a Corporate Commonwealth entity, the CEFC has committed to report progress against the Australian Public Service Net Zero 2030 (APS Net Zero) target. Refer to Figure 49.

Figure 49: CEFC scopes 1 and 2 emissions, net zero target



Net Zero achieved in 2023-24

The CEFC achieved net zero scopes 1 and 2 emissions (in line with the APS Net Zero in Government Operations) for the first time in 2023-24. This was achieved via a combination of GreenPower contracts and procurement and retirement of large-scale generation certificates (LGCs) for the balance of our electricity consumption. Refer to Figure 50.

Figure 50: Progress against APS Net Zero 2030 target: 2023-24

Target	Status in 2023-24
Net zero scopes 1 and 2 emissions by 2030 (APS Net Zero)	Achieved in 2023-24
Limiting scopes 1 and 2 emissions to less than 10 per cent of CEFC reference year (2018-19) and working across the value chain to identify opportunities to reduce scope 3 emissions.	<p>Scope 3:</p> <p>In progress</p> <p>Progress</p> <ul style="list-style-type: none"> Enhancing video conference and on-line meeting capabilities to reduce work-related flight requirements, a material source of CEFC scope 3 emissions Perth office relocation to more energy efficient premises Sustainable procurement includes using a catering company for key events that utilises 100 per cent Australian produce and 99 per cent recycled packaging and donates unused food to local food charities.

Climate disclosure

Corporate emissions: 2023-24

CEFC corporate emissions in 2023-24 were 343 tCO₂-e. As the CEFC scope 1 and 2 emissions were zero in 2023-24, the total of the 343 tCO₂-e were exclusively scope 3 emissions, with the majority relating to business travel and accommodation. Refer to Figure 51.

Figure 51: CEFC corporate emissions reported: 2023-24

Reflects Climate Action in Government Operations emissions reporting methodology	t CO ₂ -e
<i>Market-based approach</i>	
Scope 1	0
Scope 2	0
Scope 3	343
Total	343
<i>Location-based approach</i>	
Scope 1	0
Scope 2	85
Scope 3*	343
Total	428

Notes:

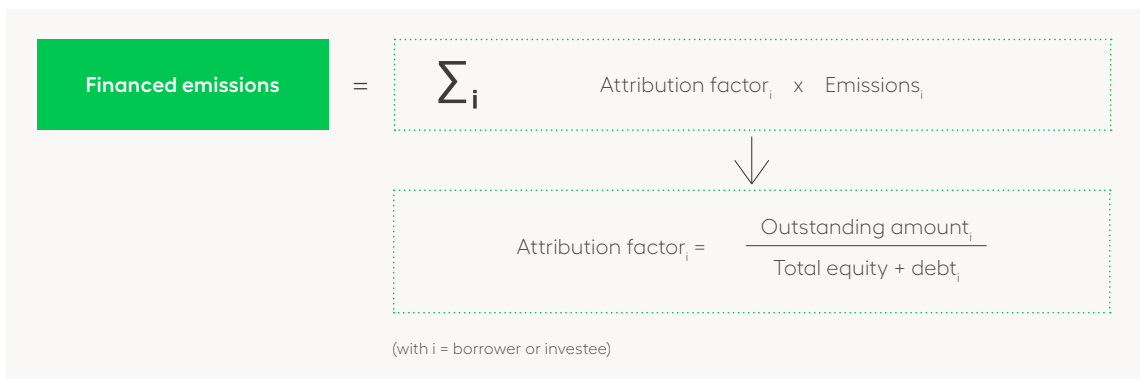
- * Scope 3 includes solid waste and domestic business travel as required by the Climate Action in Government Operations emissions reporting methodology.
Refer to Glossary for explanation of location-based and market-based emissions methodologies.

CEFC financed emissions

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:

- Establish the emissions of the project, asset or entity
- Confirm the financier's investment commitment (at a specified date) as a percentage of the total value of the project, asset or entity (inclusive of debt and equity)
- The product of the above is used to allocate a proportion of the emissions of the project, asset or entity to the financier. Refer to Figure 52.

Figure 52: Financed emissions calculation approach



In early 2024 the CEFC became a signatory to the Partnership for Carbon Accounting Financials (PCAF). From 2023–24 onwards, the CEFC will report on its financed emissions in its annual reports.

CEFC financed emissions for 2022–23 were an estimated 145 kt CO₂-e, representing more than 99 per cent of total emissions within the CEFC boundary. This period (2022–23) was chosen to provide sufficient time to collate counterparty reported emissions and improve accuracy. Refer to Figure 53.

Figure 53: CEFC financed emissions 2022–23

2022–23	Scope	t CO ₂ -e/yr	CEFC emissions boundary: %
Corporate emissions	Scope 1	0	–
	Scope 2	8	0.1
	Scope 3	229	0.2
Financed emissions	Scope 3	145,234	99.8
Total		145,471	100

Note:

Financed emissions, representing CEFC investments, are calculated in line with Partnership for Carbon Accounting Financials Global GHG Accounting and Reporting Standard – Part A.

Financed emissions breakdown

Sixty per cent of CEFC financed emissions in the 2022–23 year were related to scope 1. With our commitment to report financed emissions annually, we will also look to improve the weighted data quality score year-on-year.

Figure 54: CEFC financed emissions breakdown 2022–23

Financed emissions	t CO ₂ -e/year
Financed emissions Scope 1	87,098
Financed emissions Scope 2 ¹	58,136
Total	145,234
Weighted data quality score	Score
Weighted data quality	3.04 out of 5
Coverage	%
Commitment included (by value)	87%
Investments included ²	86%

Notes:

1. Varied scope 2 emissions data available for investments. For simplicity, all scope 2 emissions are counted as location-based emissions.
2. In line with the PCAF Standard, some investments were excluded for the following reasons: no relevant PCAF methodology, lack of data (primarily construction phase projects) or no deployment prior to 30 June 2023.

Climate disclosure

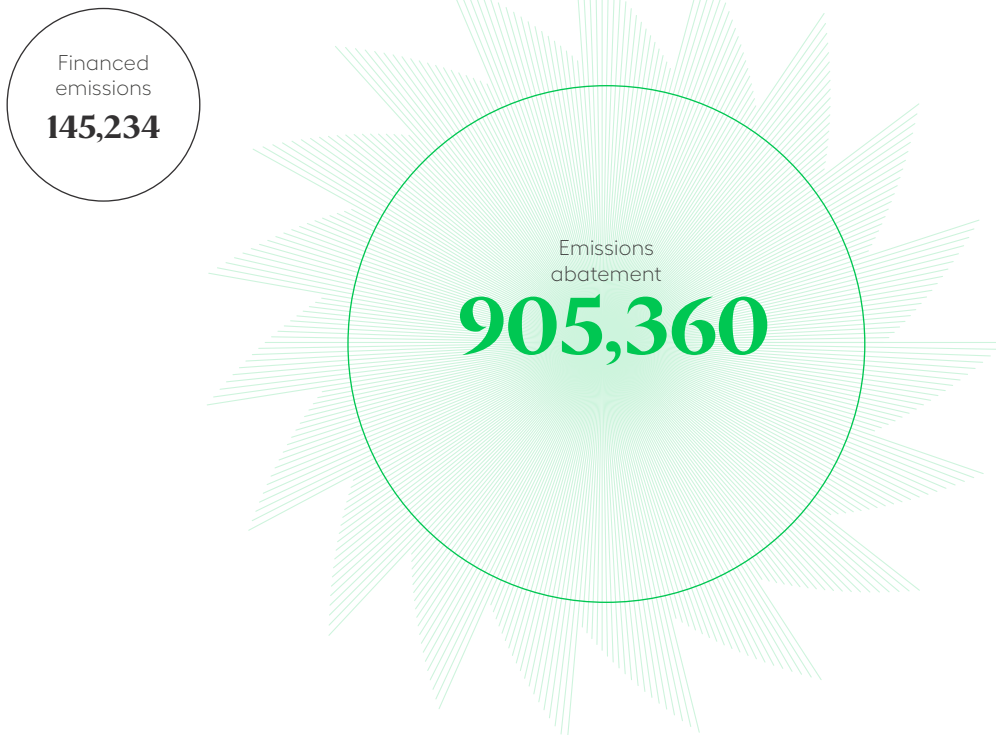
Portfolio abatement

Emissions abatement associated with the CEFC investment portfolio was estimated at approximately 3 Mt CO₂-e for the 2022-23 year.¹ In line with the PCAF methodology, attributing these abated emissions based on the proportion of finance provided by the CEFC, resulted in abatement of approximately 900 kt CO₂-e.²

The emissions abatement attributed to CEFC investment commitments are approximately six times the comparable financed emissions. This figure reflects the abatement expected from the investments operational during in 2022-23. As such, this number does not include those investments in construction or pre-commissioning during the period.³

Figure 55: Financed emissions and emissions removals 2022-23

CEFC investment portfolio	t CO ₂ -e/year
Financed emissions	145,234
Abatement: avoided emissions and emission removals	905,360



1. Consistent with reporting approach in prior years.

2. This figure is calculated by multiplying the abatement of the total project or initiative in 2022-23 by CEFC commitment as a proportion of the total funding for that project or initiative.

3. Where an investment was excluded from the financed emissions calculation (i.e. due to PCAF methodology or data gaps), it has also been excluded from abatement estimates to allow more meaningful comparison.

Financed emissions by investment area

The CEFC assesses financed emissions across three broad areas of investment, reflecting our strategic priorities. Refer to Figure 56.

Large-scale renewable energy and storage

Large-scale renewable energy and storage represented 33 per cent of investment commitments by value and 15 per cent of financed emissions in 2022–23, reflecting 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. The co-location of a grid connected battery energy system may also use additional electricity from the grid.

As investment commitments through the RTN Fund increase, CEFC financed emissions can also be expected to increase. Transmission lines financed through the RTN Fund are expected to have significant emissions in construction. Operational emissions will initially also be material but reduce over time as the proportion of renewable energy in the grid increases, and the emissions intensity of electricity consumption (and line losses) declines. Such investment is critical to facilitate the requisite build out of renewable energy to support Australia's transition to a low carbon economy.

Energy efficiency and decarbonisation

Energy efficiency and decarbonisation represented 64 per cent of investment commitments by value and 84 per cent of financed emissions in 2022–23. This is the area where we see the greatest focus on leveraging our investment to decarbonise assets and sectors.

These include the industrial, infrastructure, natural capital and property sectors. Not surprisingly, these sectors cover some of the harder-to-abate activities which are reliant on moving away from fossil fuel-based energy sources (including diesel-fuelled machinery and vehicles), and technology or process improvements to facilitate meaningful emissions reductions. As such, investment in these sectors is likely to result in significant and long-term emission reductions across the economy.

Technology development

Technology development represents a smaller component of our financed emissions, but the longer-term impact of climate solutions that are being developed could be significant.

Most investments in this area are in the start-up and/or commercialisation phase. As such, emissions associated with these investments are generally minimal. 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 as the evolving technology enables productivity gains through innovation.

Figure 56: Financed emissions by investment area 2022–23

Investment area	Financed emissions: Scopes 1 and 2		Number	Portfolio coverage	
	t CO ₂ -e/year	%		Total transaction value (\$m)	Share of portfolio (%)
Renewable energy and storage	21,629	15	33	2,544	33
Energy efficiency and decarbonisation	121,381	84	92	4,865	64
Technology development	2,224	1	27	207	3
Total	145,234	100	152	7,616	100

Notes:

Renewable energy and storage category include transmission-related investments.

Energy efficiency and decarbonisation includes asset finance, electric vehicles, household energy efficiency, property, industry, infrastructure, natural capital and resources.

Technology development includes transactions within the AHF and the CEIF.

Climate disclosure

Corporate performance metrics and targets

2023–24 performance

The CEFC set investment targets for abatement and broader decarbonisation metrics aligned to Australia's net zero target. Refer to Section 1: Performance Statement and Analysis.

2024–25 outlook

The CEFC 2024–25 Corporate Plan includes abatement and decarbonisation performance targets. Additionally, through our RTN Fund there is a target to strengthen the capacity of the electricity grid. The CEFC uses both quantitative and qualitative metrics to monitor performance, with a strong focus on activities that contribute to delivering Australia's emissions reduction targets. Refer to Figure 57.

Figure 57: CEFC 2024–25 Corporate Plan

Key activity	Performance measure	2024–25 target	Expected outcome
Deploy capital across the CEFC General Portfolio, RTN Fund and four Specialised Investment Funds to drive action across our strategic priorities and deliver emissions reduction	TWh of expected annual output of new capacity unlocked through CEFC financing	1.8 TWh–2.5 TWh	Increased supply of renewable energy in Australia and lower emissions across the broader Australian economy
	Mt annual estimated emissions reductions	0.15 Mt–0.20 Mt	
	Delivering the RTN Fund:	Achieve 2 of 3 measures	
	– Reach commercial commitment [^] on three ISP or State/Territory priority transmission projects		
	– Deliver 4.5 GW of additional network capacity		
	– Reach contractual close on the two 2023–24 transmission projects		

Notes:

[^] Evidence of a documented term sheet for major transactions by 30 June 2025 would be a commercial commitment.

APS Net Zero 2030 report

APS Net Zero 2030 (APS Net Zero) 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* (EPBC Act), require all non-corporate Commonwealth entities, corporate Commonwealth entities (which includes the CEFC) and Commonwealth companies to publicly report on emissions from their operations. Refer to Figure 58.

Emission methodologies

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 (RMF) to allow for unique claims on the zero emissions attribute of renewables without double counting.

Figure 58: CEFC emissions inventory 2023–24 (location-based method)

Emission source	t CO ₂ -e			
	Scope 1	Scope 2	Scope 3	Total
Electricity [†]	N/A	85.2	11.6	96.9
Natural gas	0	N/A	0	0
Solid waste ^{**}	N/A	N/A	3.1	3.1
Refrigerants ^{††}	0	N/A	N/A	0
Fleet and other vehicles	0	N/A	0	0
Domestic commercial flights	N/A	N/A	283.1	283.1
Domestic hire car [*]	N/A	N/A	0	0
Domestic travel accommodation [*]	N/A	N/A	45.4	45.4
Other energy	0	N/A	0	0
Total t CO₂-e	0	85.2	343.2	428.5

Notes:

* Emissions related to electricity usage is measured pursuant to the location-based methodology.

** Emission sources collected for the first time in 2023–24. The quality of data is expected to improve over time as emissions reporting matures.

† Optional emission source for 2023–24 emissions reporting.

Data completeness:

- Not all waste data was available at the time of reporting and amendments to data may be required in future reports. The quality of data is expected to improve over time as emissions reporting matures.
- Emissions from hire cars for 2023–24 sourced from third party providers and may be incomplete. The quality of data is expected to improve over time as emissions reporting matures.
- The Greenhouse Gas Emissions Inventory presents greenhouse gas emissions over the 2023–24 period.

Climate disclosure

Figure 59: Electricity emissions 2023-24

Emission source	t CO ₂ -e			%
	Scope 2	Scope 3	Total	Electricity use
Electricity: location-based method	85.2	11.6	96.9	100
Electricity: market-based method	0	0	0	0
Total renewable electricity	-	-	-	100
<i>Mandatory renewables</i>	-	-	-	18.7
<i>Voluntary renewables</i>	-	-	-	81.3

Notes:

Emissions related to electricity usage is measured pursuant to the location-based and market-based methodologies.

Mandatory renewables are the portion of electricity consumed from the grid that is generated by renewable sources. This includes the renewable power percentage.

Voluntary renewables reflect the eligible carbon credit units surrendered by the entity. This may include purchased LGCs, power purchase agreements, GreenPower and the jurisdictional renewable power percentage (ACT only).

Climate Active emissions reporting

The CEFC was certified as carbon neutral under the Climate Active carbon neutral certification program for each of the reporting years 2016–17 to 2022–23. Corporate emissions reporting during the period were offset each year through the purchase of ACCUs. Refer to Figure 60.

Figure 60: CEFC corporate emissions reported through Climate Active

	t CO ₂ -e/year						
Climate Active reporting year	2016–17	2017–18	2018–19	2019–20	2020–21	2021–22	2022–23
Scope 1	4.2	1.1	4.5	5.771	6	11.3	0
Scope 2	86.6	121.7	128.1	215.4	185	181.9	7.5
Scope 3	964.4	1,017.2	1,247	753.9	478	634.5	2,128.4
Total	1,051	1,140	1,348	975	669	828	2,136

Approach to APS Net Zero and Climate Active reporting

The Australian Public Service Net Zero emissions reporting methodology and the Climate Active emissions reporting methodologies have different emission boundaries and variations in the scope 3 emission categories included in the reported emission boundaries. This results in notable variations in total emissions reported via the methodologies. Figure 61 includes the GHG Protocol categories that have historically been reported by the CEFC under Climate Active, compared with those included in the APS Net Zero Reporting methodology.

Figure 61: Climate Active and APS Net Zero 2030 reporting categories

Scope	Category	GHG protocol category	CEFC Climate Active reporting	CEFC APS Net Zero reporting
1	Direct		Yes	Yes
2	Indirect (purchased electricity)		Yes	Yes
3	1	Purchased goods and services	Yes	No
3	2	Capital goods	Yes	No
3	3	Fuel and energy-related activities	Yes	Yes
3	4	Upstream transport and distribution	No	No
3	5	Waste	Yes	Yes
3	6	Business travel	Yes	Yes*
3	7	Employee commuting and working from home	Yes	No
3	8	Upstream leased assets	No	No
3	9	Downstream transport and distribution	No	No
3	10	Processing of sold products	No	No
3	11	Use of sold products	No	No
3	12	End of life treatment of sold products	No	No
3	13	Downstream leased assets	No	No
3	14	Franchises	No	No
3	15	Investments	No	No**

* Domestic only.

** The CEFC has reported financed emissions in addition to APS Net Zero reporting in 2023–24.

Climate disclosure

Financed emissions

The following sections provide additional information, explanation and data in support of the financed emissions calculations for the 2022-23 year. The data collection, calculation methodology, data quality score and reporting procedures are in line with the PCAF Global GHG Accounting and Reporting Standard – Part A. The CEFC is a member of PCAF, and CEFC annual disclosures will be linked to the PCAF website.

Figure 62: CEFC portfolio by PCAF asset class

PCAF asset class	Number of Investments	Financed emissions Scope 1 + 2: tCO ₂ -e	On-risk commitment: \$m	Emission intensity: tCO ₂ -e/\$m
Business loans and unlisted equity	61*	86,677	2,427	36
Commercial real estate	8**	2,413	606	4
Listed equity and corporate bonds	2	12,286	115	107
Motor vehicle loan	10#	3,986	511	8
Project finance	61+	39,871	3,590	11
No PCAF methodology	10	0	366	–
Total	152	145,234	7,616	19

Notes on data gaps:

* Includes three investments with no deployment in 2022-23.

** Includes one investment with no data on emissions (data gap) and one investment with no deployment in 2022-23.

Includes two investments with no deployment in 2022-23.

+ Includes four investments with no data on emissions (data gap) and one investment with no deployment in 2022-23.

Figure 63: Data completeness

	Number of investment commitments	Value of on risk portfolio (\$m)	Share of investment commitments by number: (%)	Share of investment commitments by value (\$m)
Complete	130	6,652	85	87
Declared data gap	5	293	3	4
No PCAF methodology	10	366	7	5
No deployment	7	304	5	4
Grand total	152	7,616	100	100

Notes:

At June 2023, the CEFC held 152 active investments. Eight of these were excluded from the calculations as the data available was not sufficient to make a reasonable estimate of emissions.

Ten of the investments were classified as Green Bonds and could not be calculated in the absence of a relevant PCAF methodology. Seven investments were not deployed, e.g. financial close occurred post 30 June 2023, construction before end of 2022-23.

Figure 64: Key data parameters

Parameters	2022–23	Comments
Portfolio coverage	87%	Refer to Figure 53: CEFC financed emissions breakdown 2022–23.
Level of assurance	No assurance	2023–24 is the first year of the CEFC publishing its financed emissions. The intention is to improve data quality and completeness and to move towards limited assurance in the coming years. Financed emission calculations have been prepared by CEFC with the assistance of specialist consultants and specific technical guidance from PCAF.
Scope 3 emissions	Excluded	While efforts were made, scope 3 emissions data was available for less than half of the investments. As such, scope 3 emissions were excluded. The CEFC will work on increasing scope 3 emissions coverage in its 2023–24 financed emissions portfolio.
Lifetime emissions (optional)	Excluded	The CEFC has not estimated lifetime emissions for the 2022–23 portfolio. The CEFC will investigate opportunities to include this component in coming years.

Figure 65: Data sources: emission calculations

Investment type	Data sources
Operational sites and corporations	<ol style="list-style-type: none"> Reported data <ol style="list-style-type: none"> Clean Energy Regulator (CER) (operational solar and wind farms report emissions to CER) Corporate sustainability reports, annual reports and ESG data packs. <p><i>OR if not available</i></p> Estimation of emissions using corporate revenue or assets and Exiobase database <p>Note: Innovation investments are often in organisations in startup or research and development phase. We have therefore estimated emissions on the basis that the organisation is a small office-based operation, using the Exiobase database.</p>
Solar or wind farm – construction project	<ol style="list-style-type: none"> Construction phase data reported (e.g. diesel consumption) <i>OR if no diesel consumption reported</i> Annual diesel consumption reported by a solar/wind farm in the portfolio used as a proxy.
Other construction projects	<ol style="list-style-type: none"> Construction phase data reported (e.g. diesel consumption) <i>OR if not available</i> Estimation of emissions using construction spend PCAF database.
Grid connected Battery Energy Storage System (BESS)	<ol style="list-style-type: none"> Energy consumption as reported through CER <i>OR if not reported to CER</i> Average emissions of BESS reported through CER can be used as a proxy.
Car loan programs	<p>For aggregation loan programs, the emissions associated with car loans are calculated based on the number of loans to each type of car, multiplied by an emission factor for the car type (electric vehicle (EV), hybrid or internal combustion engine (ICE)).</p> <p>EV: 1.3 tCO₂-e/car/year ICE: 2.0 tCO₂-e/car/year.</p>
Home loans	Assumed all home energy upgrades have zero emissions.

Climate disclosure

Figure 66: Attribution calculation methodology

Investment type	PCAF asset class	Ownership	Attribution calculation methodology
Operational sites and corporations	Project finance	Corporation	
Solar or wind farm – construction project	Project finance	Corporation	$\frac{\text{CEFC: total commitment minus any repayments}}{\text{(total equity + total debt available to the project)}}$
Other construction projects	Project finance	Corporation	
Battery energy storage system (connected to grid)	Project finance	Corporation	
Aggregation loans SME energy efficiency and renewable energy, car loans	Project finance/Motor Vehicle Loan	Corporation	<p>Step 1: Loan by loan attribution:</p> $\frac{\text{Outstanding loan balance}}{\text{Original loan balance}}$ <p>Step 2: Financing attribution:</p> <p>For aggregation projects, assume CEFC attribution is 100%</p>
Electricity grid infrastructure construction	Project finance	Corporation	$\frac{\text{CEFC: total commitment minus repayments}}{\text{Total assets + total debt}}$
Infrastructure assets, mining, companies, residential property (operational or under construction)	Corporate finance	Corporation	$\frac{\text{CEFC: total commitment minus repayments}}{\text{Total assets + total debt}}$
		Fund	$\frac{\text{CEFC: total commitment minus repayments}}{\text{Total fund equity valuation}}$
Natural capital (land aggregation programs, carbon farming, regeneration, sustainable agriculture programs)	Corporate finance	Fund	$\frac{\text{CEFC: total commitment minus repayments}}{\% \text{ CEFC ownership interest}}$
	Project finance	Fund	$\frac{\text{CEFC: total commitment minus repayments}}{\text{Total equity + total debt available to the project}}$

Figure 67: Data gaps and resolutions

Corporate emissions

For a small number of investments, corporate annual reports combined scope 1 and 2 emissions – single corporation or standalone project.

- Where electricity consumption is provided, scope 2 emissions calculated based on appropriate state based emission factors
- Scope 1 assumed as the remainder of the scope 1 and 2 figures.

Managed fund emissions

Fund reports combined scope 1 and 2 emissions for portfolio.

- Where possible, locate the scope 1 and 2 emissions of portfolio companies or assets
 - Calculate the average ratio of scope 1 and scope 2 emissions for the majority of the portfolio
 - Apply this ratio to the fund's scope 1 and scope 2 emissions.
-



Environmental, Social and Governance report

The CEFC manages risks and opportunities across the ESG spectrum, underpinning our role in the net zero transition.

In September 2023, under the CEFC Board direction, we refreshed the CEFC Environmental, Social and Governance (ESG) Policy, reflecting changes to the Investment Mandate, evolving market practice and emerging trends.

Our Investment Mandate has increased focus on the transformation of the grid, facilitating the substantial increase in renewable energy required by 2030. The CEFC Investment Mandate recognises this financial investment needs to be accompanied with a holistic approach to ESG to secure broader benefits to society.

ESG approach: materiality

Assessment and practice

In updating the ESG Policy, the CEFC undertook a materiality assessment, engaging with key stakeholders. The assessment scope addressed a range of activities across the sectors aligned with our Investment Mandate. This included a detailed review of material ESG factors, benchmarking against peers and industry practice including Global Reporting Initiative, Sustainability Accounting Standards Board, the TCFD, and the UN Sustainable Development Goals to ensure we are aligned with industry standards and evolving best practice.

Process review

In 2023–24, the CEFC conducted a process review to streamline the integration of ESG across the investment life cycle, identifying new investment and asset management enhancements. This applies to all potential new investment commitments, and existing investments where the opportunity arises.

Process updates included:

- Climate risk disclosure due diligence for the screening of potential investment commitments
- Enhanced resources to more meaningfully apply the existing CEFC First Nations investment screening approach across our potential investment commitments and existing investments
- Enhanced ESG quarterly reporting to the Board and adoption of standardised reporting frameworks.

In June 2024 the CEFC internal auditor reviewed management's implementation and operation of the updated ESG Policy. The audit confirmed that changes are being effectively integrated into, and executed within, the investment lifecycle.

ESG performance

Emphasis on ESG risks

The CEFC considers relevant material ESG risks for each new transaction, as well as follow-on investments where an updated screen is appropriate. ESG risks are assessed against relevant laws, policies, standards and public registers. The CEFC also includes reputational risk due diligence screening for proposed investments and relevant counterparties.

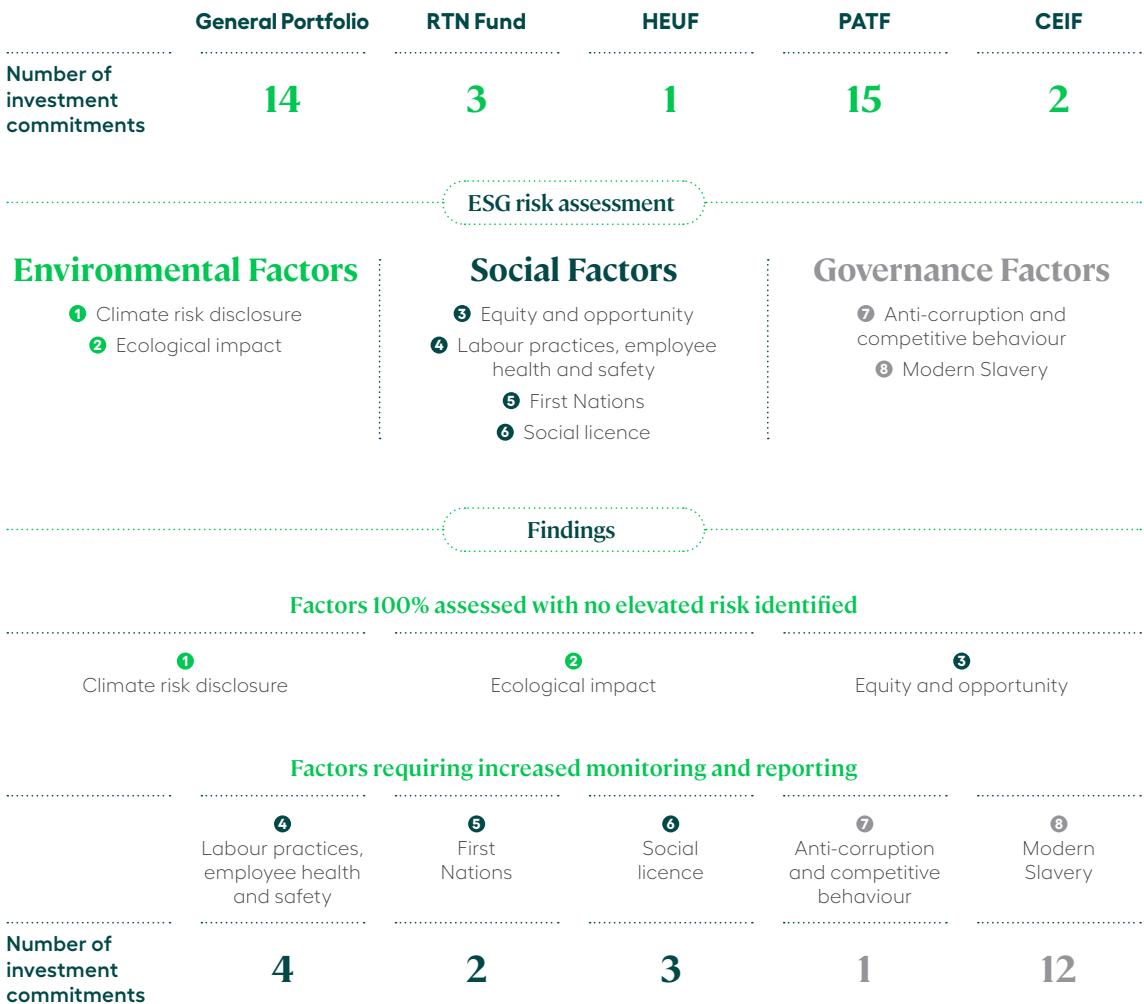
Figure 68 outlines the key results from CEFC ESG screening activity for new and follow-on investment commitments during the year. Our screening reveals areas of focus where additional management and monitoring of potential risks over the life of the investment have been identified as beneficial.

The majority of the ESG risks for our investment commitments were rated as low. There are increased risks in particular sectors across labour practices, First Nations and social licence.

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 labour and child labour.

ESG report

Figure 68: ESG risk analysis, 2023-24 commitments



ESG risk analysis

CEFC analysis of ESG risks across our portfolio confirmed areas with more potential for material risks, and where increased monitoring and reporting is warranted.

Examples include:

- **Modern slavery:** In 2023-24 we identified 12 investments with an increased residual risk of modern slavery. Further engagement, due diligence and contractual provisions were completed for the medium residual risk rated investments on a case-by-case basis.
- **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. Four projects have a medium risk rating requiring increased monitoring.

ESG risk management update

Social licence and modern slavery

The CEFC further refined its approach to assessing social licence and modern slavery in 2023–24:

- **Social licence:** Given the importance of social licence, the CEFC has increased its focus on this area to better navigate the challenges associated with the transition to a net zero economy. In doing so, the CEFC has been cognisant of community considerations in relation to the assessment of our investments and activities throughout the year. The CEFC will continue to progress its approach as practice evolves, to appropriately manage risk and foster community outcomes.
- **Modern slavery:** The CEFC developed assurance guidance to improve oversight of modern slavery risk. It outlines our approach to monitoring and verifying the implementation of our modern slavery risk management processes and facilitating assessment of associated risk for continuous improvement. The Modern Slavery statement is available on the CEFC website.

Equality and remuneration

The Board People and Culture Committee provides oversight of the organisation's progress in the areas of diversity and gender pay equity. A gender pay analysis is conducted each March and July. The March analysis is reported to the Board People and Culture Committee as part of an annual diversity report and is used to inform pay decisions during the annual remuneration review each June. The July analysis evaluates the impact of these decisions on gender pay equity, so that any issues can be addressed before the remuneration review is concluded.

CEFC also submits reporting required under the Public Sector Reporting program with the Workplace Gender Equality Agency. Refer to Appendix E.

Labour practices and employee health and safety

The CEFC is committed to the safety and health of its employees and acknowledges its responsibilities under the *Work Health and Safety Act 2011* (Cth) (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.

The *Managing psychosocial hazards at work* Code of Practice (July 2022) was an ongoing focus in 2023–24 and led to the assessment and identification of psychosocial hazards in the CEFC workplace.

The CEFC applied a risk management approach to the process that is aligned with Safe Work Australia's best practice guide. The CEFC also undertook a Psychosocial Hazards in the Workplace Survey in October 2023, followed by staff focus groups to understand key risk areas further.

Regular reporting has been provided to the CEFC Executive Team and Board in 2023–24 period. A briefing session was delivered to this audience at the 8 May 2024 Board meeting, focusing on their roles and responsibilities in the context on recent legislation changes. This included an overview on how employers should be demonstrating their positive duty. Refer to Appendix F.

ESG report

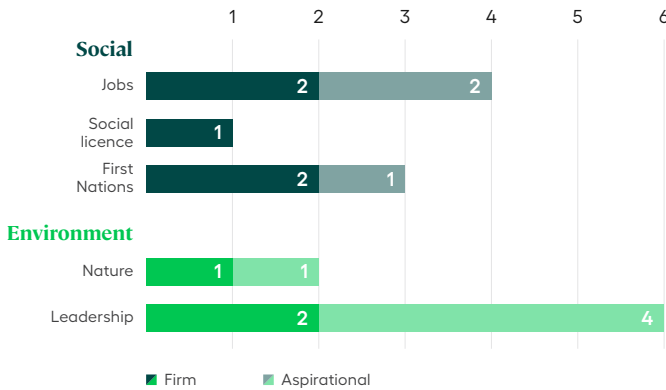
ESG opportunities

The CEFC role is centred on decarbonisation, through facilitating finance and support of Australia’s emissions reduction targets. We also identify activities where we can positively target opportunities relating to ESG material factors in collaboration with our counterparties. Refer to Figure 69. These are defined as:

Firm commitment: Positive ESG opportunities, that are included as obligations/undertakings in the transaction legal documentation and/or through public statements that the counterparty must achieve in full and by the specified date (if applicable). Permanent and construction jobs created by counterparties resulting from CEFC new commitments.

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. Potential permanent and construction jobs that can be created by counterparties resulting from stretch goal or ambition within CEFC new commitments.

Figure 69: Investment commitments 2023–24: ESG opportunities



The CEFC seeks out targeted ESG opportunities. In 2023–24 we identified 16 opportunities relating to 10 new investment commitments, with a mix of firm and aspirational targets.

CEFC investments: ESG highlights

Employment

The CEFC seeks to create and safeguard existing jobs or support training/reskilling opportunities through our investment commitments. Investment commitments in 2023–24 helped support projects with sponsors identifying 805 permanent jobs and up to 1,100 fixed term jobs in the construction phase, with the potential for further growth through stretch targets integrated into our transactions.

Figure 70: Employment impact

Firm commitment		Aspirational commitment	
Permanent jobs	Fixed-term	Permanent jobs	Fixed-term
805	1,100	365	400

Leadership

- The CEFC has committed \$127.5 million to **Golden Plains Wind Farm Stage 2**. The Sponsor, **TagEnergy**, will measure embodied carbon from construction and operational activities. Disclosure of the analysis will be a positive step to understand the life cycle carbon emissions for wind farms and help inform opportunities to reduce embodied emissions.
- The CEFC has committed \$30 million to support **Team Global Express** in electrifying Australia's heavy transport sector. Team Global Express committed to share knowledge and collaborate with major stakeholders in the freight and logistics sector on decarbonisation pathways to support the accelerated commercialisation, replication and scaling of new technology. Prior to CEFC investment, Team Global Express and JET Charge (an Innovation Fund portfolio company) undertook Australia's largest logistics electric vehicle fleet trial at the Bungarribee Depot, with the assistance of an ARENA grant.

First Nations and social engagement

- The CEFC \$102.4 million investment in Neoen's **Goyder Wind Farm and Blyth BESS**: with the project being located on the country of the Ngadjuri Nation, Neoen has committed up to \$1 million to the Ngadjuri Nation Aboriginal Corporation. This is to facilitate broad benefit sharing, by committing to training and employment opportunities with particular focus on benefiting the Ngadjuri community.
- Neoen Australia has also transferred ownership of 1,000 hectares at Worlds End Gorge to the Government of South Australia, paving the way for a new national park. It represents a long-term commitment between Neoen, host landowners, Traditional Owners of the Ngadjuri Nation, the Regional Council of Goyder and South Australia's Department of Environment and Water. The new national park will permanently preserve the environmentally and culturally significant Worlds End Gorge.

CEFC corporate: highlights

Diversity and inclusion

The CEFC has a Diversity, Equity and Inclusion (DEI) Working Group which meets monthly and is responsible for seeking employee input and developing and delivering the CEFC DEI strategy. During the reporting period, extensive staff consultation was conducted to guide the development of initiatives that will help us deliver on our five strategic themes:

1. Building leadership and sponsorship for diversity
2. Strengthening our inclusive workplace culture of belonging (for all)
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 in-office events and staff education to acknowledge the diversity of our workforce including, Diwali, Movember, Lunar New Year, International Women's Day, Easter, Ramadan and IDAHOBIT Day. Refer to Appendix E.

First Nations

We conducted a number of activities consistent with our Innovate Reconciliation Action Plan (RAP) in the 2023–24 year, including:

- The creation of a new First Nations Engagement role to focus on creating more tangible and meaningful deliverables, centred in clean energy (effective August 2024).
- Engaged with National Reconciliation Week and NAIDOC Week events, built new relationships, and raised awareness of Reconciliation across the CEFC.
- Provided all staff with the opportunity to participate in cultural awareness training and experiences.
- Worked together with our First Nations Advisory Committee, who provided advice and guidance for the development and implementation of our Innovate RAP.
- Supported the development of the *Leading Practice Principles: First Nations and Renewable Energy Projects* guide. The CEFC was a member of the First Nations Best Practice Guide steering committee which consulted during the development of the guide. CEFC provided financial contributions in support. This guide was developed by the Clean Energy Council and KPMG in collaboration with the First Nations Clean Energy Network, First Nations experts and industry experts.
- Participated in the development of the Australian Government First Nations Clean Energy Strategy.

Ecologically Sustainable Development and Environmental Performance report

The CEFC reports its obligations under the EPBC Act annually. This Report covers the period 1 July 2023 to 30 June 2024 inclusive. Our purpose, set out in section 3 of the CEFC Act is: "To facilitate increased flows of finance into the clean energy sector and to facilitate the achievement of Australia's greenhouse gas reduction targets."

CEFC activities are aligned Ecologically Sustainable Development (ESD) Principles included in the EPBC Act. Refer to Figure 71. The CEFC also reports ESG performance at a corporate and investment activity level under energy efficiency, waste and water. Refer to Figure 72.

Figure 71: CEFC alignment with ESD Principles

ESD Principles: EPBC Act

- 1 Decision-making processes should effectively integrate both long-term and short-term economic, environmental, social and equitable considerations
- 2 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
- 3 The principle of intergenerational equity that the present generation should ensure that the health, diversity and productivity of the environment is maintained or enhanced for the benefit of future generations
- 4 The conservation of biological diversity and ecological integrity should be a fundamental consideration in decision-making
- 5 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. This overarching purpose is strongly aligned with the principles of ESD.

The CEFC makes investment decisions based on both long-term emission abatement outcomes, as well as the economic, environmental and social impacts and risks of a project in the short and medium term.

The CEFC ESG Policy, available on the CEFC website, 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.

The CEFC works with major financial institutions to offer lower interest loans to customers to promote sustainable purchasing decisions (e.g. electric vehicle purchases, sustainable home loans, energy efficiency home upgrades, installation of solar and batteries at homes and small-to-medium enterprises).

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) investment committee.

CEFC investment in projects involved in land clearing and/or development are required to have undertaken all ecological studies, community consultation, complied with relevant legislative, and received 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.

Figure 72: Environmental performance summary 2023–24

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 within the climate disclosure strategy and climate metrics and targets sections earlier in the report.		
	Investment activities	Corporate performance	Measures to review and improve
Waste	Potential investments are screened against the Material ESG Factors, as defined in the CEFC ESG Policy. During this process the sustainability impact of the investment as a whole is reviewed by the CEFC Sustainability Team.	NABERS Waste ratings: <ul style="list-style-type: none"> – Sydney: 2.5 stars – Melbourne: 4 stars – Brisbane: 4 stars – Perth: No rating 	Continue to engage with staff on waste hierarchy, waste minimisation and water efficiency in offices. 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 Water ratings: <ul style="list-style-type: none"> – Sydney: 5 stars – Melbourne: 5 stars – Brisbane: 4.5 stars – Perth: 5 stars 	Consider waste management and water efficiency as a criterion when booking off-site venues and new office locations.

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Meeting our reporting obligations



as a corporate
Commonwealth
entity

Appendix A

Index of Annual Reporting requirements

Figure 73: Index of Annual Reporting requirements

Statutory requirement	Legislation reference	Section
Index of requirements under the PGPA Act and PGPA Rule 2014 Annual Reporting Requirements		
Provision of Annual Report (including annual financial and performance statements) to responsible Ministers by 15 October each year	PGPA Act, section 46	Letter of Transmittal
Board statement of approval of Annual Report with section 46 of the PGPA Act	PGPA Act, section 46 PGPA Rule, section 17BB	Letter of Transmittal
Annual performance statements in accordance with paragraph 39(1)(b) of the PGPA Act and section 16F of the PGPA Rule	PGPA Act, section 39 PGPA Rule, section 16F and 17BE(g)	1, Appendix B
Board statement of compliance of performance report with section 39 of the PGPA Act	PGPA Act, section 39 PGPA Rule, section 16F	1
Annual financial statements for Commonwealth entities	PGPA Act, sections 42 and 43(4) PGPA (Financial Reporting) Rule 2015, Australian Accounting Standards	3
Board statement of compliance of the financial statements with section 42(2) of the PGPA Act	PGPA Act, section 42(3), 43(4) PGPA (Financial Reporting) Rule 2015	3
Parliamentary standards of presentation	PGPA Act, section 46(3) PGPA Rule, section 17BC	Full report
Publication on transparency.gov.au	PGPA Act, section 46(3) PGPA Rule, section 17BCA	Full report
Plain English and clear design, including glossary	PGPA Act, section 46(3) PGPA Rule, section 17BD	Full report
Details of the legislation establishing the entity	PGPA Act, section 46(3) PGPA Rule, section 17BE(a)	2
A summary of the objects and functions of the entity as set out in the legislation	PGPA Act, section 46(3) PGPA Rule, section 17BE(b)(i)	2
The purposes of the entity as included in the entity's corporate plan for the reporting period	PGPA Act, section 46(3) PGPA Rule, section 17BE(b)(ii)	1
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	PGPA Act, section 46(3) PGPA Rule, section 17BE(c)	2
Directions given to the entity by the Minister under an Act or instrument during the reporting period	PGPA Act, section 46(3) PGPA Rule, section 17BE(d)	2
Any government policy order that applied in relation to the entity during the reporting period under section 22 of the PGPA Act	PGPA Act, section 46(3) PGPA Rule, section 17BE(e)	2

Statutory requirement	Legislation reference	Section
Particulars of non-compliance with:	PGPA Act, section 46(3)	2
(a) direction given to the entity by the Minister under an Act or instrument during the reporting period; or	PGPA Rule, section 17BE(f)	
(b) A government policy order that applied in relation to the entity during the reporting period under section 22 of the PGPA Act		
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 the non-compliance	PGPA Act, section 46(3) PGPA Rule, sections 17BE(h) and (i)	2
Information on the accountable authority, or each member of the accountable authority, of the entity during the reporting period	PGPA Act, section 46(3) PGPA Rule, section 17BE(j)	2
Outline of the organisational structure of the entity (including any subsidiaries of the entity)	PGPA Act, section 46(3) PGPA Rule, section 17BE(k)	2
Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following:	PGPA Act, section 46(3) PGPA Rule, section 17BE(ka)	Appendix E
(a) Statistics on full-time employees		
(b) Statistics on part-time employees		
(c) Statistics on gender		
(d) Statistics on staff location		
Outline of the location (whether or not in Australia) of major activities or facilities of the entity	PGPA Act, section 46(3) PGPA Rule, section 17BE(l)	Appendix H
Information relating to the main corporate governance practices used by the entity during the reporting period	PGPA Act, section 46(3) PGPA Rule, section 17BE(m)	2
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):	PGPA Act, section 46(3) PGPA Rule, sections 17BE(n) and (o)	2, 3
(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		
Any significant activities and changes that affected the operations or structure of the entity during the reporting period	PGPA Act, section 46(3) PGPA Rule, section 17BE(p)	2
Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on the operations of the entity	PGPA Act, section 46(3) PGPA Rule, section 17BE(q)	2

Appendix A

Statutory requirement	Legislation reference	Section
Particulars of any report on the entity given during the period by: <ul style="list-style-type: none"> – The Auditor General, other than a report under section 43 of the PGPA Act; or – A Committee of either House, or of both Houses, of the Parliament; or – The Commonwealth Ombudsman; or – The Office of the Australian Information Commissioner 	PGPA Act, section 46(3) PGPA Rule, section 17BE(r)	2
An explanation of information not obtained from a subsidiary of the entity and the effect of not having the information on the Annual Report	PGPA Act, section 46(3) PGPA Rule, section 17BE(s)	N/A
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)	PGPA Act, section 46(3) PGPA Rule, section 17BE(t)	2
The following information about the audit committee for the entity: <ul style="list-style-type: none"> – A direct electronic address of the charter determining the functions of the audit committee; – The name of each member of the audit committee; – The qualifications, knowledge, skills or experience of each member of the audit committee; – Information about each member's attendance at meetings of the audit committee; – The remuneration of each member of the audit committee 	PGPA Act, section 46(3) PGPA Rule, section 17BE(taa)	2
Information about Executive remuneration	PGPA Act, section 46(3) PGPA Rule, section 17BE(ta), Subdivision C and Schedule 3	Appendix G
The list of requirements as set out in Schedule 2A of the PGPA Rule that references where those requirements are to be found in the Annual Report	PGPA Act, section 46(3) PGPA Rule, section 17BE(u)	Appendix A
An assessment of significant changes in the entity's overall financial structure and financial conditions	PGPA Rule section 17BF(1)(a)(i)	N/A ¹
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	PGPA Rule section 17BF(1)(a)(ii)	N/A ¹
Information on dividends paid or recommended	PGPA Rule section 17BF(1)(b)	N/A ¹
Details of any community service obligations the government business enterprise has including: <ul style="list-style-type: none"> – An outline of actions taken to fulfil those obligations; and – An assessment of the cost of fulfilling those obligations 	PGPA Rule section 17BF(1)(c)	N/A ¹

Statutory requirement	Legislation reference	Section
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	PGPA Rule section 17BF(2)	N/A ¹
Publish report on entity website	PGPA Rule, section 30A	Full report
Index of requirements under the CEFC Act		
Total value of section 63 investments, by reference to the class of clean energy technologies	CEFC Act, section 74(1)(a)	1
Realisation of any section 63 investments	CEFC Act, section 74(1)(b)	Appendix D
If required, explanation of why less than half of the funds are invested in renewable energy technologies	CEFC Act, section 74(1)(c)	N/A
Concessions given by the Corporation	CEFC Act, section 74(1)(d)	3
Balance sheet setting out, as at the end of the financial year, the assets and liabilities and a statement of cash flows	CEFC Act, section 74(1)(e)	3
Remuneration and allowances of Board members and senior staff	CEFC Act, section 74(1)(f)	2, 3, Appendix G
Operating costs and expenses	CEFC Act, section 74(1)(g)	2, Appendix H
Benchmark report of operating costs and expenses of other comparable entities	CEFC Act, section 74(1)(h)	Appendix H
Procurement contracts of more than \$80,000	CEFC Act, section 74(1)(i)	2
Credits and debits to the CEFC Special Account	CEFC Act, section 74(1)(j)	3
Reporting on each of the items referred to in sections 74(1)(d) to (j) of the CEFC Act for subsidiaries	CEFC Act, section 74(2)	2, 3
Index of requirements under the Investment Mandate Direction		
Reporting on the non-financial outcomes of all CEFC investments, including those under each Sub-Fund	Investment Mandate, section 18	1, Appendix C
Reporting on the disaggregate value of concessions given for each of the General Portfolio and Sub-Funds	Investment Mandate, section 18	1, 3, Appendix C
Index of other statutory reporting requirements		
Equal Employment Opportunity Report	EEO Act, section 9	Appendix E
Work Health and Safety Report	WHS Act, Schedule 2, Part 4, section 4	Appendix F
Environmental Performance and Ecologically Sustainable Development Report (including Australian Public Service Net Zero 2030)	EPBC Act, section 516A	4
Confirmation that a CEO performance evaluation has been carried out during the financial year	RMG 127, Planning and Reporting	Appendix G
Confirmation that a succession plan for the CEO is in place and maintained during the financial year	RMG 127, Planning and Reporting	Appendix G

Notes:

1. These disclosure requirements apply to government business enterprises only. The CEFC is not a government business enterprise per section 5 of the PGPA Rule.

Appendix B

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 indicators are accounted for below and these should be read as forming part of the Annual Performance Statements.

Figure 74: Portfolio Budget Statements: CEFC indicators 2023-24

PBS: CEFC indicators	Target	Results		
		2021-22	2022-23	2023-24
1. Capital commitments				
Total capital committed to clean energy technologies ¹ (Source: PBS)	\$1.2b-\$1.5b (excluding RTN)	\$1.45b	\$1.9b	\$1.01b
	\$3.0b-\$3.6b (RTN)	N/A	N/A	\$0.71b
Evaluation	Analysis			
Outcome: Not achieved	Capital commitments were \$1.01 billion (excluding the RTN Fund) and totalled \$1.7 billion when RTN transactions were included. This resulted in both metrics being below the target range. However, two RTN projects reached commercial commitment during the year and when those commitments are included, the total committed capital for the year increased to \$4.5b which was in line with the total target range of \$4.2 billion to \$5.1 billion. The RTN Fund in particular is focused on large infrastructure projects, many of which have progressed at a slower rate than anticipated and the CEFC remains ready to progress financing when the underlying projects and their proponents progress to the financing stage.			
2. Financial leverage				
Ratio of private sector capital to CEFC capital (Source: PBS)	\$2.50: \$1-\$3:00: \$1 (excluding RTN)	\$2.30: \$1	\$5.46: \$1	\$6.52: \$1
Evaluation	Analysis			
Outcome: Exceeded	Financial leverage (excluding RTN) was \$6.52 for each \$1.00 of CEFC capital committed. This was a strong result on the capital committed in the General Portfolio and SIFs. Where possible, the CEFC prefers to provide lower capital amounts, leveraging finance from other participants; however, at times depending on the nature of the investment, CEFC is required to shoulder more of the capital in order to bring projects to fruition.			
3. CO₂-e				
Estimated emissions reduction per annum from new capital commitments (Source: PBS)	0.6 Mt - 1.0 Mt	1.3 Mt	0.5 Mt	0.3 Mt
Evaluation	Analysis			
Outcome: Not achieved	As noted earlier, the aggregate amount of emissions reductions is dependent on the baseline emissions intensity factor. As Australia has made progress on reducing emissions, particularly in the electricity sector, and those reductions are forecast to continue with the policy measures in place (which include CEFC finance), the amount of estimated annual emissions reductions from CEFC transactions is declining each year. The 0.3 Mt recorded for 2023-24 is lower than the target range set out in PBS, however, at the time the target was included the full impact of the declining baseline was not entirely apparent.			

PBS: CEFC indicators**Target****Results****4. Adjusted operating result**

Total operating result (excluding RTN income and expenses) normalised to exclude: (1) concessionality, (2) loan modification charges, (3) loan and bond investment revaluations and (4) Innovation Fund investment revaluations² (Source: PBS)

\$150m–\$175m

2021–22

\$219.6m

2022–23

\$166m

2023–24

\$175.6m

Analysis

The adjusted operating result was \$175.6 million for the year. This was above the top end of the target range set out in the PBS. The different target ranges between the PBS and the Corporate Plan were attributable to updated information and assumptions being adopted when the 2023–24 planning cycle was completed as part of the development of the 2023–24 Corporate Plan.

Evaluation

Outcome:

Exceeded**5. Establish RTN Fund**

Establishment of operating procedures and controls and required resourcing that supports the RTN framework for decision-making and reporting contemplated by the proposed 2023 Investment Mandate³ (Source: PBS)

Analysis

This performance objective was further refined by the Board at the end of the 2023–24 planning cycle and was reflected in the 2023–24 Corporate Plan as RTN Fund leadership (refer to discussion above). The leadership objective sought to capture a greater level of ambition, beyond the establishment of the RTN Fund. The Fund became successfully operational during the year, with the first financial commitments completed, supported by increased resourcing and decision-making frameworks.

Evaluation

Outcome:

Exceeded

Notes:

1. Capital committed to clean energy technologies for the performance period 2023-24 excludes follow-on investments in existing clean energy technologies.
2. Adjusted operating result is a self-defined corporate performance metric and is calculated as the statutory operating result, adjusted for (1) administrative funding received from Government (2) CEIF gains and losses, (3) concessionality and loan modification charges and unwinds, and (4) loan and bond mark-to-market revaluations.
3. The 2023 Investment Mandate came into effect in July 2023.

Appendix C

Reporting of non-financial outcomes

Under the *Clean Energy Finance Corporation Investment Mandate Direction 2023*, the CEFC is required to report on the non-financial outcomes of all CEFC investments, including those in the General Portfolio and the Sub-Funds. Refer to Figure 75.

The CEFC is also required under the *Clean Energy Finance Corporation Investment Mandate Direction 2023* to report on the disaggregate value of concessions given for each of the General Portfolio and the Sub-Funds. This information is presented in Section 3 along with the Portfolio Benchmark Returns.

Figure 75: Reporting outcomes: 2023-24 and lifetime

	General Portfolio ¹		RTN Fund		HEUF		PATF		CEIF ²		AHF ³		Total CEFC	
	2023-24	Lifetime	2023-24	Lifetime	2023-24	Lifetime	2023-24	Lifetime	2023-24	Lifetime	2023-24	Lifetime	2023-24	Lifetime
CEFC commitments	\$982.0m	\$13.4b	\$710.0m	\$710.0m	\$60.0m	\$60.0m	\$77.3m	\$109.6m	\$17.6m	\$199.6m	N/A	N/A	\$1.8b	\$14.5b
Number of transactions	14 ¹	>280	3	3	1	1	6 ¹	>15	0 ¹	>50	N/A	N/A	24 ¹	>350
Total transaction value	\$8.0b	\$56.0b	\$710.0m	\$710.0m	\$60.0m	\$60.0m	\$436.9m	\$543.5m	\$45.0m	\$1.0b	N/A	N/A	\$9.3b	\$58.4b
Leverage	7:15	3:16	0:00	0:00	0:00	0:00	4:65	4:09	1:56	4:09	N/A	N/A	4:01	3:01
Estimated kt CO ₂ -e annually	3275	7008.9	0	0	4.7	4.7	1.2	1.2	0	474.7	N/A	N/A	333.4	7495.9

Notes:

- Data excludes follow-on commitments to existing portfolio companies. All other figures include follow-on commitments.
- The CEIF has reached its notional investment capacity of up to \$200 million. Additional CEIF-related investments now draw on the PATF.
- AHF numbers exclude hydrogen-related commitments made via the CEIF or PATF.
- The Australian Recycling Investment Fund, Sustainable Cities Investment Program and the Reef Funding Program were discontinued in the reporting year, as a result of the Investment Mandate Direction 2023. CEFC investments in these areas now occur via the General Portfolio.

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 76.
- Some investment commitments are never drawn, for example, because the borrower fails to meet conditions precedent, or the commitment is contractually cancelled. See Figure 77.

Figure 76: Investment commitments realised through repayment or disposal in 2023–24

Counterparty	Description	Year	CEFC \$	Explanation
Coleambally Solar Farm	Debt finance for the construction and operation of a utility-scale solar farm	2017–18	\$29.3m	Facility repaid in a portfolio refinance by the CEFC and other lenders
Commonwealth Bank of Australia originated risk participation transactions	Finance for energy efficient projects	2013–14	\$0.5m	Loans repaid at maturity
Curtin University	Debt financing for the construction of energy efficient student accommodation and commercial property	2018–19	\$92.4m	Loan repaid at maturity
Housing Plus	Debt finance to fund construction of energy efficient social and affordable housing	2017–18 2023–24	\$112.6m	Facility refinanced by another lender
Kwinana WtE Finance Co Pty Ltd	Debt financing for the Kwinana waste-to-energy plant	2018–19	\$89.5m	Sale of debt facility
Metro Finance	Debt finance of energy efficient assets to small business customers	2017–18	\$30.9m	Facility refinanced by other lenders
Metro Property Development	Debt finance for the construction of energy efficient townhouses	2020–21	\$49.6m	Maturity of facility
Numurkah Solar Farm	Debt finance for the construction and operation of a utility-scale solar farm	2017–18	\$56.2m	Facility repaid in a portfolio refinance by the CEFC and other lenders
Sentient Impact Group	Debt finance for a portfolio of utility-scale solar farms	2016–17	\$23.8m	Facility refinanced by other lenders
Woolworths Limited	Investment in a green bond	2018–19	\$23.8m	Maturity of bond

Notes:

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

Appendix D

Figure 77: Investment commitments partially realised, contractually cancelled, allowed to expire or reduced in 2023-24

Counterparty	Description	Year	Change	Explanation
Goyder Wind Farm and Blyth Battery Energy Storage System	Debt finance for construction of a wind farm and utility scale battery	2023-24	\$3.2m	Cancelled upon financial close
Macquarie Agricultural Funds Management	Equity investment in an agriculture fund	2017-18	\$0.8m	Return of capital
Macquarie Australian Infrastructure Trust	Equity investment in an infrastructure fund	2019-20	\$0.6m	Return of capital
Macquarie Leasing	Investment in a bank bond to support an energy-efficient asset finance aggregation program	2017-18	\$15.0m	Disposal of bond and amortisation of underlying loans in the aggregation program
NSW Empowering Homes Scheme	Debt finance for residential solar and battery equipment	2019-20	\$1.1m	Cancelled
Qualitas Build-to-Rent Impact Fund	Construction of affordable energy efficient residential accommodation	2019-20	\$60.2m	\$24.5m cancelled and \$35.7m assigned to another lender
Taurus Motor Finance	Mezzanine debt funding in a securitisation warehouse to support the uptake of zero emission electric vehicles	2022-23	\$6.1m	Portion of \$20.5m commitment expired without deployment
Wattle FinCo Pty Ltd	Portfolio financing of utility-scale renewable assets	2023-24	\$5.1m	Cancelled upon financial close

Notes:

Shows the portion of the original investment commitment realised, cancelled, allowed to expire or reduced during the year.

Excludes scheduled amortisation payments.

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 2023 to 30 June 2024 inclusive.

Approach to EEO

The CEFC seeks to reflect the diverse nature of the Australian community in our workplace. 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
- Annual compliance training includes EEO, the CEFC Code of Conduct and Ethics and the CEFC Workplace Bullying, Discrimination and Harassment Policy
- The CEFC Sexual Harassment Policy reflects new obligations on staff, managers and the CEFC to prevent sexual harassment in the workplace. The policy explains what behaviours constitute sexual harassment and outlines the CEFC's approach to responding to this type of conduct.

Diversity, equity and inclusion strategy development

During the 2023–24 reporting year, the CEFC Diversity, Equity and Inclusion (DEI) employee working group continued to meet monthly towards developing a DEI strategy for the CEFC.

Regular employee feedback is key to monitoring performance in EEO, diversity, equity and inclusion. In September 2023, the CEFC conducted a biennial confidential employee engagement survey. This data, in conjunction with the CEFC 2023 Psychosocial Hazards in the Workplace Survey data further informed our work and provided new insights.

In May/June 2024, all CEFC staff were invited to participate in a DEI consultation session at either our Brisbane, Melbourne or Sydney office locations. These in-person sessions were an opportunity to communicate our newly developed DEI vision and strategy, as well as an opportunity to share the survey data which informed this strategy work. Staff were encouraged to share their ideas, experiences and feedback on our future DEI initiatives.

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.

A 2023 employee engagement survey (125 responses ~90 per cent response rate) indicated that employees experience positive Inclusion and Equity at the CEFC, with strong positive responses to the following items:

- My manager genuinely supports equality between genders
- At the CEFC people with diverse backgrounds can succeed regardless of e.g. race, gender, age, disability, religion, sexual orientation or cultural background.

The CEFC 2023 Psychosocial Hazards in the Workplace Survey (102 responses ~75 per cent response rate) was conducted in October 2023, targeting behaviours related to sexual harassment in the workplace. It was positive to note that there were zero incidences reported of more serious sexual harassment behaviours such as inappropriate physical contact, jokes of a sexual nature, sexual assault, displays of sexually explicit behaviours, sexually explicit communication, sexual gestures or advances.

Appendix E

Paid parental leave

During the period, the CEFC Parental Leave policy was reviewed to reflect the major shifts in policy and practice, particularly across the private and public sectors in the areas of flexibility support and paid parental leave entitlements. Key enhancements include:

- Increasing the paid parental leave entitlement to 18 weeks (from 12 weeks)
- Paying superannuation on the unpaid parental leave
- Removing the distinction between primary and secondary care givers in relation to paid parental leave benefits
- Reducing the qualifying service period to six months (from 12 months).

During the reporting period, eight employees utilised CEFC paid parental leave. Of the employees who accessed paid parental leave, three were female, five were male.

Flexible working arrangements

The CEFC offers flexible working arrangements aligned with the National Employment Standards. Of the 152 employees at 30 June 2024, 7.9 per cent were employed on a part-time basis. The CEFC has eight 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 agile working arrangements, whereby employees are expected to spend an average, at least three days per week, at a CEFC office.

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 2024 analysis showed the average gender pay gap at the organisational level was 23.9 per cent (in favour of men), calculated using the average of all salaries for men and women (excluding the CEO). While this result presents a widening of the gender pay gap by 4.2 per cent compared with the previous reporting, it compares favourably with the overall gender pay gap for the financial and insurance sector (at 26.2 per cent) reported by the Workplace Gender Equality Agency.

The CEFC gap is due to a larger proportion of men being in the most senior roles, which attract higher remuneration levels and is 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 2024 analysis, the average pay gap across 14 positions (where a gap could be calculated) was 6.1 per cent, compared with the previous 4.7 per cent gap in March 2023, influenced by the recruitment of specialist skills in a highly competitive talent market.

Diversity profile

At 30 June 2024, the CEFC had 152 employees, an increase of 11 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 years.

The CEFC continues to reflect a diverse cultural profile: 42.8 per cent of employees were born overseas, including 65 employees from 27 countries. The CEFC had 17 employees (11.2 per cent) who reported English as their second language at 30 June 2024.

At 30 June 2024, 50 per cent of the CEFC Board and 33 per cent of the CEFC Executive Team were women with 30.2 per cent of senior management positions held by women. Women were awarded 10 (52 per cent) of the 19 promotions in the 2023-24 year. Women also made up 57 per cent of the 26 new recruits in the year. Overall, gender diversity was steady during the reporting year, sitting at 50.7 per cent men and 49.3 per cent women at 30 June 2024.

One employee identified as being First Nations in the 2023-24 year. Separately, no employee identified as living with disability requiring reasonable adjustments.

Figure 78: CEFC EEO reporting comparison

EEO designated group	30 June 2023		30 June 2024	
	Employees	%	Employees	%
Female	70	49.6	75	49.3
Born overseas	56	39	65	42.8
English as a second language	17	12	17	11.2

Figure 79 : CEFC employee overview 2023–24

	Non-ongoing	Ongoing	Total
Gender			
Woman/female	1	74	75
Man/male	2	75	77
Non-binary	0	0	0
Prefers not to answer	0	0	0
Uses a different term	0	0	0
Total	3	149	152
Employment status			
Full-time	3	137	140
Part-time	1	11	12
Total	4	148	152
Location			
Brisbane	1	61	62
Canberra	0	1	1
Melbourne	1	16	17
Perth	0	4	4
Sydney	2	66	68
Total	4	148	152

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 2023–24 year.

Appendix F

Workplace Health and Safety Report

Reporting period

The CEFC is a “public authority” under the 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 2023 to 30 June 2024 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:

- Maintenance of a Risk Management Framework and Risk Appetite Statement with respect to the organisation’s tolerance for WHS incidents
- Reporting WHS incidents
- Maintenance of corporate policies and procedures.

As of 30 June 2024, the CEFC had up to 14 emergency wardens across the 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 2024, the CEFC had 16 certified First Aid Officers, who complete 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 throughout CEFC offices. 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 bullying, discrimination and harassment. Mandatory online WHS training covers a range of matters, including 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, EEO and workplace bullying. 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 continues to implement established WHS controls in our offices, with additional processes in place to ensure employees working from home have a safe and ergonomic workstation. These include ergonomic and WHS audits of home workspaces for all new hires and optional follow-up ergonomic workstation assessments for existing employees on an annual basis.

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
- 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.

To support the psychological health of our employees, the CEFC offers a confidential employee assistance program that provides counselling support for employees and coaching for managers. As a valuable step towards a culture of care that encourages people to talk openly about mental health, an additional five staff members were certified as Mental Health First Aid Officers during the year, increasing our total number of Officers to 14 with the aim of improving mental health awareness, support and early intervention support for employees. The CEFC also supports an agile working environment that allows flexible working, including working from home on average two days per week.

In addition, a range of other services are provided to promote psychological health in the workplace:

- Psychosocial hazard education for people leaders
- Annual mental health and wellbeing education
- Mental health resources and support tool available on our intranet hub
- Office social connection events
- Peer recognition program.

WHS outcomes

The CEFC is required to report on health and safety outcomes, including the impact of injury rates of workers.

Notifiable incidents

There were no notifiable incidents (such as deaths, serious injury or illness, or dangerous incidents) for the reporting period.

Investigations

The CEFC must report any investigations that relate to businesses or undertakings conducted by the entity, including details of all notices given to the entity during the reporting year under Part 10 of the WHS Act. The CEFC has not received any notices, conducted any investigations, nor been investigated under the relevant provisions and is a Nil report for all particulars.

Comcare inspection

On 14 March 2024, Comcare conducted a proactive work health and safety inspection at the CEFC Sydney office in relation to incident management. The inspection deemed the CEFC to be compliant with the WHS Act and the *Work Health and Safety Regulations 2011* (Cth) (WHS Regulations). The review concluded the CEFC has the systems in place, so far as it is reasonably practicable to identify, review, control and manage incidents that occur at CEFC workplaces.

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, Rule 2014, 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 2023 to 30 June 2024 inclusive.

Definitions

The CEFC defines KMP as Board members 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 to Figure 80. The CEFC does not have any Senior Executives other than KMPs.

The CEFC defines OHPS as CEFC employees whose total remuneration exceeded the \$250,000 threshold for the 2023–24 year. KMP are not classified as OHPS.

Approach to executive remuneration 2023–24

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

Each year, the CEO's performance is evaluated by the People and Culture Committee who recommends final decisions to the Board for approval. As described in Section 2, the People and Culture Committee commenced an Executive Talent Assessment Program to guide executive development and maintain executive and CEO succession plans.

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 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. Refer to Figure 81.

During 2023–24, 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 KPIs. Incentives are awarded annually, based on the performance of the CEFC and individuals, with reference to their KPIs, which include defined targets and measures. 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 claw back 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 2023, the Superannuation Guarantee Levy increased from 10.50 per cent to 11 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 \$27,399 per year. This is consistent with the superannuation guarantee legislation. The incremental annual cost to the CEFC, based on 1 July 2023 headcount, is \$155,203.

Senior executives 2023–24

The CEFC does not have any senior executives other than those already included within the KMP disclosures in Figure 80. As mentioned in Section 2, Mr Simon Every was appointed to Chief Public Affairs Officer (effective 1 September 2024).

Other Highly Paid Staff

OHPS are CEFC employees (excluding KMPs) whose total remuneration exceeds the \$250,000 threshold for the 2023–24 year.

Figure 80: KMP Remuneration 2023–24

Name	Position	Short-term benefits				Post-employment benefits			Other long-term benefits			Termination benefits	Total remuneration
		Annual fees ¹ (\$)	Base salary ² (\$)	Performance based compensation ³ (\$)	Movement in leave provisions ³ (\$)	Other benefits and allowances ⁴ (\$)	Superannuation contributions (\$)	Performance based compensation (\$)	Long service leave (\$)	Other long-term benefits (\$)			
Non-Executive Board Members													
Steven Skala AO	Chair	119,027	-	-	-	-	13,093	-	-	-	-	-	132,120
Anthony Concannon ⁵	Director	34,860	-	-	-	-	3,835	-	-	-	-	-	38,695
Matt Howell	Director	59,497	-	-	-	-	6,544	-	-	-	-	-	66,041
David Jones AM	Director	59,497	-	-	-	-	6,544	-	-	-	-	-	66,041
Andrea Slattery	Director	62,782	-	-	-	-	3,259	-	-	-	-	-	66,041
Samantha Tough	Director	59,497	-	-	-	-	6,544	-	-	-	-	-	66,041
Nicola Wakefield Evans AM	Director	59,497	-	-	-	-	6,544	-	-	-	-	-	66,041
CEO and Senior Executive Team													
Ian Learmonth	Chief Executive Officer	-	614,573	258,000	10,564	-	27,399	129,000	14,263	-	-	-	1,053,799
Sara Leong	Chief Asset Management Officer	-	481,290	163,333	(928)	-	27,399	81,667	13,803	-	-	-	766,564
Roger (Rory) Lonergan	Chief Investment Officer	-	459,110	186,667	6,305	-	27,399	93,333	15,407	-	-	-	788,221
Paul McCartney	Chief Investment Officer	-	482,507	213,333	(10,516)	-	27,399	106,667	19,629	-	-	-	839,019
Leanne McDonald	Chief People and Culture Officer	-	396,063	135,000	(9,847)	-	27,399	67,500	14,778	-	-	-	630,893
Monique Miller	Chief Investment Officer	-	459,110	186,667	18,700	-	27,399	93,333	(52,117)	-	-	-	733,092
Andrew Powell	Chief Financial Officer	-	453,809	160,000	(13,449)	-	27,399	80,000	12,889	-	-	-	720,648
Saxon (Jay) Tolson	General Counsel and Company Secretary	-	402,088	145,000	10,246	-	27,399	72,500	9,305	-	-	-	666,538
Craig Whalen	Chief Risk Officer	-	422,759	160,000	2,328	-	27,399	80,000	9,620	-	-	-	702,106
Total		454,657	4,171,309	1,608,000	13,403	-	292,954	804,000	57,577	-	-	-	7,401,900

Notes:

- Annual Board Fees are paid in accordance with the Determination(s) of the Remuneration Tribunal.
- Base Salary is "grossed-up" for any amounts sacrificed by a KMP for the purchase of additional leave (maximum two weeks).
- 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.
- 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.
- Anthony Concannon was a Director until 1 February 2024.

Appendix G

Figure 81: Remuneration of OHPS

Remuneration band	Number of OHPS	Short-term benefits			Post-employment benefits			Other long-term benefits			Termination benefits	Total remuneration
		Average performance-based compensation (\$)	Average movement in leave provisions ² (\$)	Average other benefits and allowances ³ (\$)	Average superannuation contributions (\$)	Average performance-based compensation (\$)	Average long service leave (\$)	Average other long-term benefits (\$)	Average total remuneration (\$)			
\$250,000 to \$270,000	9	179,877	47,606	7,513	-	21,885	-	2,768	-	-	-	259,649
\$270,001 to \$295,000	9	196,961	52,763	2,882	-	23,612	-	6,559	-	-	-	282,777
\$295,001 to \$320,000	6	214,089	66,527	(2,619)	-	24,630	-	5,673	-	-	-	308,300
\$320,001 to \$345,000	10	222,826	84,307	100	-	25,370	-	1,625	-	-	-	334,228
\$345,001 to \$370,000	7	225,748	95,697	6,493	-	25,404	-	4,913	-	-	-	358,255
\$370,001 to \$395,000	2	245,694	99,441	2,569	-	25,966	-	6,069	-	-	-	379,739
\$395,001 to \$420,000	2	244,090	100,116	3,139	-	26,334	20,421	8,361	-	-	-	402,461
\$420,001 to \$445,000	3	279,713	87,622	(5,231)	-	27,241	24,444	9,917	-	-	-	423,706
\$470,001 to \$495,000	8	312,231	98,892	2,242	-	27,365	32,530	8,808	-	-	-	482,068
\$495,001 to \$520,000	3	318,792	111,830	5,775	-	27,399	36,665	10,432	-	-	-	510,893
\$520,001 to \$545,000	1	345,926	145,000	(2,021)	-	27,399	-	8,283	-	-	-	524,587
\$545,001 to \$570,000	1	332,232	116,656	28,310	-	27,399	58,328	(14,507)	-	-	-	548,418
\$570,001 to \$595,000	1	350,713	123,137	4,784	-	27,399	61,568	6,624	-	-	-	574,225
\$595,001 to \$620,000	3	401,935	114,495	(699)	-	27,399	57,248	9,697	-	-	-	610,075
\$620,001 to \$645,000	1	408,017	123,137	(10,280)	-	27,399	61,568	12,297	-	-	-	622,138

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 2023 to 30 June 2024 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 treasury function. At 30 June 2024, the CEFC had 152 employees located in Sydney (headquarters), Brisbane, Canberra, Melbourne and Perth. At 30 June 2024, the CEFC had access to up to \$30.5 billion through drawing rights against the CEFC Special Account maintained by DCCEEW.

Comparator entities

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

- Future Fund Management Agency
- Export Finance Australia
- Northern Australia Infrastructure Fund
- Housing Australia
- National Reconstruction Fund Corporation
- New York Green Bank.

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
- The CEFC is at least double the size of the next largest green bank at 30 June 2024
- Each comparator entity has its own unique mandate specific to its particular market needs, such as target sectors, technologies, financial instruments, geographical limitations and access to capital

- The current financial year data on comparator entities may not be readily available
- Entities use different expense and data reporting categories, impeding like-for-like comparisons.

Future Fund Management Agency

The Future Fund was established under Division 2 of Part 5 of the *Future Fund Act 2006* and is governed by an independent board, which makes investment decisions according to ministerial directions via an Investment Mandate. The Fund pursues a broad sectoral spread in its investments, and is neither geographically nor sector limited in the same way as the CEFC. Latest available data, to 30 June 2024, showed total funds under management of \$289.4 billion across seven funds with the main Future Fund of \$224.9 billion invested in:

- Australian equities: 10.3 per cent
- Global equities: 27.0 per cent
- Private equity: 14.5 per cent
- Property: 5.4 per cent
- Infrastructure and Timberland: 9.9 per cent
- Credit: 11.0 per cent
- Alternatives: 15.2 per cent
- Cash: 6.7 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 262 transactions valued at \$1.2 billion completed in 2022–23, with exposures of some \$5.2 billion (Commercial Account \$1.7 billion, National Interest Account \$3.5 billion). Its key functions are to:

1. Facilitate and encourage Australian export trade by providing finance
2. Encourage banks and other financial institutions in Australia to finance exports and overseas infrastructure development
3. Provide information and advice about finance to help support Australian export trade
4. Assist other Commonwealth entities and businesses in providing finance and financial services
5. Administer payments in relation to overseas aid.

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

Appendix H

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.](https://naif.gov.au)

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 \$1 billion line of credit facility provided by the Australian Government.

The Housing Australia strategic objectives are to:

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

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

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.

While the NRFC is expected to be a relevant comparison in future years, it has not been included in this year's table of comparisons due to the current early stage of the entity.

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

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.](https://greenbank.ny.gov)

Figure 82: Operating costs and expenses benchmark: comparison with Annual Reports^(a)

	CEFC 2023-24	Future Fund 2022-23 ^(a)	Export Finance 2022-23 ^(a)	NAIF 2022-23 ^(a)	Housing Australia 2022-23 ^(a)	New York Green Bank 2023-24 ^(b)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	%	%	%	%	%	%
Employee benefit expenses						
Wages and salaries	40,864	72,574	26,938	7,771	14,463	17,604
	62	17	44	58	37	72
Superannuation	2,890	5,102	2,941	801	1,593	-
	4	1	5	6	4	-
Leave and other entitlements	484	2,074	2,900	316	961	-
	1	0	5	2	2	-
Other expenses	273	-	1,500	28	1	-
	0	-	2	0	0	-
Total	44,511	79,750	34,279	8,916	17,018	17,604
	68	19	56	67	44	72
Board remuneration^(a)						
Wages and salaries	455	864	562	463	434	-
	1	0	1	3	1	-
Superannuation	47	127	59	49	46	-
	0	0	0	0	0	-
Total	502	991	621	512	480	-
	1	0	1	4	1	-
Total employee and Board remuneration and benefits	45,013	80,741	34,900	9,428	17,498	17,604
	68	19	57	71	45	72
Other operating expenses						
Professional fees and expenses	3,970	149,685	9,948	727	8,126	-
	6	36	16	5	21	-
Other investment portfolio expenses	5,660	47,838	2,400	-	7,960	327
	9	11	4	-	20	1
Travel and incidentals	1,605	-	-	593	250	-
	2	-	-	4	1	-
Office facility costs	635	-	1,700	367	-	-
	1	-	3	3	-	-
Insurance	467	-	700	50	505	-
	1	-	1	0	1	-
Marketing and communications	755	-	1,400	94	178	-
	1	-	2	1	0	-
Depreciation and amortisation	3,753	8,953	3,800	561	352	1,130
	6	2	6	4	1	5
Auditors' remuneration	226	239	252	72	85	-
	0	0	0	1	0	-
Administrative, IT and other expenses	3,631	130,784	6,000	1,432	4,054	5,516
	6	31	10	11	10	22
Total operating expenses (before interest, impairment and concession)	65,715	418,240	61,100	13,324	39,008	24,577
	100	100	100	100	100	100

Note: See page 220 for footnotes.

Appendix H

Figure 82: Operating costs and expenses benchmark: comparison with Annual Reports^(a) continued

	CEFC 2023-24	Future Fund 2022-23 ^(e)	Export Finance 2022-23 ^{(e),(d)}	NAIF 2022-23 ^(e)	Housing Australia 2022-23 ^(e)	New York Green Bank 2023-24 ^(f)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	%	%	%	%	%	%
Other expenses						
Interest expense	254	-	-	13	45,309	49
Provision for impairment charge/ (reversal)	(1,826)	-	8,700	-	166	23,124
Concessional loan discount ^(b)	458,026	-	-	-	29,924	-
Total expenses	522,169	418,240	69,800	13,337	114,407	47,750

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 2022-23 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 0.658.

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 83.

Figure 83: Green bank benchmark 2023-24

	CEFC	NY Green Bank
	To 30 June 2024	To 30 June 2024^(a)
Commencement year	2013	2013
Capital available to invest (public capitalisation)	A\$30.5b	US\$1b
Capital committed since commencement	A\$14.5b	US\$2.4b
Total transaction values	A\$58.4b	US\$8.8b
Financial leverage per \$1.00 invested	A\$3.01	US\$2.67
Estimated lifetime emission reductions (Mt CO ₂ -e)	162 Mt	48.5 Mt
Capital committed per tonne of estimated lifetime emission reductions	A\$89	US\$49

Notes:

(a) From NY Green Bank Metrics, Reporting & Evaluation Quarterly Report No. 40 (Through June 30, 2024).

Abbreviations

Abbreviation	Full name
AAS	Australian Accounting Standards
AASB	Australian Accounting Standards Board
ACCU	Australian Carbon Credit Unit
AEIC	Australian Energy Infrastructure Commissioner
AEMC	Australian Energy Market Commission
AEMO	Australian Energy Market Operator
AER	Australian Energy Regulator
AHF	Advancing Hydrogen Fund
AML/CTF Act	<i>Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)</i>
APRA	Australian Prudential Regulation Authority
ARENA	Australian Renewable Energy Agency
Board	The board of the CEFC
CCD	Commonwealth Climate Disclosure
CEFC	Clean Energy Finance Corporation
CEFC Act	<i>Clean Energy Finance Corporation Act 2012 (Cth)</i>
CEIF	Clean Energy Innovation Fund
CIS	Capacity Investment Scheme
CO ₂ -e	Carbon dioxide equivalent
DCCEEW	Department of Climate Change, Energy, the Environment and Water
DNSP	Distribution Network Service Provider
EEO Act	<i>Equal Employment Opportunity (Commonwealth Authorities) Act 1987 (Cth)</i>
EFA	Export Finance Australia
EFIC Act	<i>Export Finance and Insurance Corporation Act 1991 (Cth)</i>
EPBC Act	<i>Environment Protection and Biodiversity Conservation Act 1999 (Cth)</i>
ESD	Ecologically Sustainable Development
ESG	Environmental Social and Governance
FVOI	Fair value through other comprehensive income
FVTPL	Fair value through profit and loss
GPO	Government Policy Order
GST	Goods and Services Tax
GW	Gigawatt
HEUF	Household Energy Upgrades Fund
IPCC	Intergovernmental Panel on Climate Change
ISP	Integrated System Plan
JCPAA	Joint Committee of Public Accounts and Audit
KMP	Key management personnel
KPI	Key performance indicator
Mt CO ₂ -e	Million tonnes of carbon dioxide equivalent
MW	Megawatt

Abbreviation	Full name
NAIF	Northern Australia Infrastructure Facility
NEM	National Electricity Market
NRFC	National Reconstruction Fund Corporation
NYGB	New York Green Bank
PATF	Powering Australia Technology Fund
PCAF	Partnership for Carbon Accounting Financials
PBR	Portfolio benchmark return
PBS	Portfolio Budget Statement
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013 (Cth)</i>
PGPA Rule	<i>Public Governance, Performance and Accountability Rule 2014 (Cth)</i>
REZ	Renewable Energy Zone
RIC	Regional Investment Corporation
RMG 127	<i>Department of Finance Resource Management Guide 127 – Specialist Investment Vehicles</i>
RTN	Rewiring the Nation
SIF	Specialised Investment Fund
TCFD	Task Force on Climate-related Financial Disclosures
TNSP	Transmission Network Service Provider
WHS	Work health and safety
WHS Act	<i>Work Health and Safety Act 2011 (Cth)</i>

Glossary

Term	Description
Abatement	Refers to reductions in CO ₂ -e emissions.
Advancing Hydrogen Fund	Through the \$300 million Advancing Hydrogen Fund the CEFC is working to support the growth of a clean, innovative, safe and competitive Australian hydrogen industry. Eligible projects can include advancing hydrogen production, developing export and domestic hydrogen supply chains and establishing hydrogen hubs. The Fund can also consider investing in infrastructure for a hydrogen export industry as well as projects that assist in building domestic demand for hydrogen. Refer to Section 1 and Appendix C.
Asset finance programs	Through asset finance programs with banks, specialised lenders and funds, CEFC finance incentivises borrowers to preference best-in-class clean energy assets when considering new equipment purchases, property fit-outs and vehicles. The finance can cover up to 100 per cent of the cost of equipment.
Australian Public Service Net Zero 2030	The Australian Government policy for the Australian Public Service to reduce its greenhouse gas emissions to net zero by 2030 and transparently report on its emissions from the latter half of 2023. The policy intends that by 2030 the broadest range of government agencies, activities and emissions as is feasible will be subject to the net zero target.
Australian Recycling Investment Fund	The Australian Recycling Investment Fund focused on large-scale projects to support the recycling of waste plastics, paper, glass and tyres. From July 2023, investment considerations for potential opportunities were made via the CEFC General Portfolio.
Capacity Investment Scheme	The Capacity Investment Scheme is designed to secure 32 GW of generation and storage capacity by 2030 and support the achievement of 82 per cent renewable electricity by 2030.
Clean Energy Finance Corporation Act 2012	The CEFC Act establishes the CEFC, sets out the organisation's purpose and functions and establishes arrangements for the Board, CEO and staff.
Clean Energy Innovation Fund	The Clean Energy Innovation Fund invests in emerging clean energy technology projects and businesses. Refer to Section 1 and Appendix C.
CO₂-e	Carbon dioxide equivalent is a standard measure that takes account of the different global warming potential of greenhouse gases and expresses the cumulative effect in a common unit, as defined in the Australian National Carbon Offset Standard.
Commonwealth Climate Disclosure	Commonwealth Climate Disclosure is the Australian Government policy for Commonwealth entities and companies to publicly report on their exposure to, and management of, climate risks and opportunities. This must be disclosed in their annual reports.
Concessionality	Concessionality reflects a mark-to-market valuation charge for the difference between the net present value of a loan's future cash flows, discounted at market rates, and the net present value of the loan's future cash flows, discounted at the contracted concessional rate.
Corporate facility or corporate loan	Typically, a loan to a company (rather than a specific project) for smaller-scale projects, or a bundle of projects, often secured against the assets or operations of the corporate entity.
DCCEEW	The Department of Climate Change, Energy, the Environment and Water (DCCEEW) delivers the Australian Government's climate change and energy agenda and as well protecting Australia's environment and water resources.
Dollars	All references to dollars are Australian dollars unless otherwise specified.
Ecologically sustainable development	A set of principles that corporations and government entities report against under the <i>Environment Protection and Biodiversity Conservation Act 1999</i> .
Energy efficiency technologies	Energy efficiency technologies, as defined in the CEFC Act, include technologies (including enabling technologies) that are related to energy conservation and demand management technologies.
Environment Protection and Biodiversity Conservation Act 1999	Australian Government environmental legislation providing a legal framework to protect and manage nationally and internationally important flora, fauna, ecological communities and heritage places.

Term	Description
Environmental, Social and Governance Policy	CEFC policy outlining how environmental, social and governance issues are considered in CEFC corporate and investment activities.
General Portfolio	The General Portfolio of CEFC investments that are undertaken in addition to those investments made through the Rewiring the Nation Fund or Specialised Investment Funds.
Government Policy Order	An instrument to direct government entities made under the PGPA Act.
Greenhouse gases	The six Kyoto Protocol classes of greenhouse gases are carbon dioxide (CO ₂ -e), methane (CH ₄), nitrous oxide (N ₂ O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF ₆).
Household Energy Upgrades Fund	A CEFC fund to provide concessional finance to support the private sector to provide concessional loans to incentivise the uptake of clean energy technology measures for residential buildings. Refer to Section 1 and Appendix C.
Hydrogen Headstart	A \$4 billion program co-developed by ARENA and the DCCEE, which provides revenue support for large-scale renewable hydrogen projects through competitive hydrogen production contracts, to accelerate the development of Australia's hydrogen industry, catalyse clean energy industries and help Australia connect to new global hydrogen supply chains.
Investment Mandate	A formal Ministerial Direction made under the CEFC Act that specifies conditions under which the CEFC may perform its investment function.
Key management personnel	Key management personnel have the authority and responsibility for planning, directing and controlling the activities of the CEFC, directly or indirectly, including non-executive Board members, the CEO and other members of the senior Executive Team reporting to the CEO.
LGCs	Large-scale generation certificate.
Lifetime commitment	The amount the CEFC has committed to a project, fund or program since CEFC inception.
Location-based emissions methodology	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.
Low emissions technology	The CEFC Board considers low emissions technologies on a case-by-case basis. See the Investment Guidelines on the CEFC website
Market-based emissions methodology	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 (RMF) to allow for unique claims on the zero emissions attribute of renewables without double counting.
National Electricity Market	A regulated electricity trading market that interconnects the electricity grids of the States and Territories of New South Wales, Victoria, Queensland, South Australia, Tasmania and the Australian Capital Territory.
Portfolio benchmark return	A long-term target rate of return established by the CEFC Investment Mandate, against which the performance of the CEFC investment portfolio is measured.
Powering Australia Technology Fund	A CEFC fund for investments to support the growth and expansion of clean energy technology projects, businesses and entities to facilitate the development, commercialisation or take-up of clean energy technologies. Refer to Section 1 and Appendix C.
Project finance	Long-term financing of infrastructure and industrial projects (such as a utility scale generator or an onsite generation facility) that will be repaid from the projected cash flows of the project without recourse to the balance sheets of the sponsors.

Glossary

Term	Description
Public Governance, Performance and Accountability Act (PGPA Act)	The PGPA Act establishes a coherent system of governance and accountability for public resources, with an emphasis on planning, performance and reporting. The PGPA Act applies to all Commonwealth entities and Commonwealth companies, including the CEFC.
Reef Funding Program	The Reef Funding Program focused on clean energy projects in the Great Barrier Reef Catchment Area. From July 2023, investment considerations for potential opportunities were made via the CEFC General Portfolio.
Refinancing	Repayment of an existing loan with a new loan.
Renewable energy technologies	Clean energy technologies that are defined as 'renewable energy technologies' under the CEFC Act, including hybrids that integrate renewable energy technologies, and technologies related to renewable technologies, and enabling technologies.
Renewable Energy Zones	A Renewable Energy Zone connects multiple renewable energy generators and battery storage facilities with transmission infrastructure in the same location to capitalise on economies of scale.
Rewiring the Nation Fund	A CEFC fund investing in projects that rebuild, modernise and strengthen Australia's electricity grids and energy systems. Refer to Section 1 and Appendix C.
Senior debt	Debt that takes priority in repayment over other unsecured or more junior debt.
South West Interconnected System	The largest interconnected power system in Western Australia.
Special Account	An account established by the Australian Government in which funds are set aside for a specified purpose (investment in clean energy in the case of the CEFC). The CEFC Act creates the CEFC Special Account held by DCCEEW with special appropriations used to fund the CEFC.
Sub-Funds	The Rewiring the Nation Fund and each Specialised Investment Fund.
Specialised Investment Funds	Funds allocated under section 16 of the Investment Mandate across four specialised investment objectives being the Advancing Hydrogen Fund, Clean Energy Innovation Fund, Powering Australia Technology Fund and Household Energy Upgrades Fund.
Sustainable Cities Investment Program	The Sustainable Cities Investment Program focused on the clean energy transition of Australia's 50 largest cities. From July 2023, investment considerations for potential opportunities were made via the CEFC General Portfolio.
t CO₂-e	Tonnes of carbon dioxide equivalent greenhouse gas.
Tenor	Length or term of a loan.
Virescent Ventures	A specialist fund manager established by the CEFC, focused on investing in ambitious climate tech founders, technologies and businesses that can help achieve net zero emissions. The CEFC is a foundation shareholder and has appointed Virescent Ventures to manage CEIF investments on its behalf.

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Sydney

Level 17, Suite 1702
1 Bligh Street
Sydney NSW 2000

Brisbane

Level 52
111 Eagle Street
Brisbane QLD 4000

Melbourne

Level 37
80 Collins Street
Melbourne VIC 3000

Perth

Level 21,
197 St Georges Terrace,
Perth, WA 6000

Contact officer

Mr S G Every, Chief Public Affairs Officer,
Clean Energy Finance Corporation

info@cefc.com.au

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Clean Energy Finance Corporation
ABN: 43 669 904 352

cefc.com.au