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Australia's Green Bank Hits Record Investment, But Energy Transition Faces Uphill Battle

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Australia's government-owned green bank, the Clean Energy Finance Corporation (CEFC), posted a record year of investment in renewable projects and infrastructure. However, its leadership warns that the country remains behind the pace required to meet broader energy development goals, amid continued economic and regulatory hurdles.

In the 2023–24 financial year, the CEFC committed AU\$4.7 billion to energy-related initiatives, surpassing its previous record of AU\$3.5 billion. Of this, AU\$2.9 billion was deployed directly. The funding prioritized large-scale energy generation, storage solutions, and critical transmission infrastructure. A significant portion came through the federal “Rewiring the Nation” program, designed to modernize the national electricity grid and facilitate large-scale energy flow between states.

Despite the positive growth, CEFC CEO Ian Learmonth warned that broader sector funding remains inadequate. Speaking on the Energy Insiders podcast hosted by Renew Economy, Learmonth stated that achieving long-term energy development would require investment on a much larger scale. “It’s a big task. Including storage, transmission, wind, and solar out to 2030, we’ve seen figures around AU\$170 billion (US\$109 billion) needed,” he said. He explained that the CEFC often takes early-stage financial risks to encourage private capital participation.

According to BloombergNEF (Bloomberg New Energy Finance), the sector may require AU\$92 billion (US\$59 billion) annually through 2030 to address national energy infrastructure needs more than double current investment levels.

A key challenge is the hesitation of domestic superannuation funds to invest significantly in energy assets, particularly in unregulated areas such as wind and solar generation. Learmonth cited structural and regulatory limitations as major barriers. While international firms such as BlackRock and Brookfield have made notable contributions, large Australian investors remain cautious.

One major example of progress is Project EnergyConnect, a transmission link connecting South Australia and New South Wales. The CEFC has supported the project without needing to increase funding, but inflation and rising construction costs have caused delays and placed pressure on delivery schedules.

Beyond large-scale infrastructure, the CEFC also committed AU\$305 million toward household green loan programs and AU\$93 million through the Powering Australia Technology Fund to support innovative clean technology projects, unlocking hundreds of millions in additional private sector investment.