

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Answers to questions on notice
Environment and Energy portfolio

Question No: 304
Hearing: Supplementary Budget Estimates
Outcome: Outcome 2
Program: Clean Energy Finance Corporation (CEFC)
Topic: CEFC Total Commitments
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Question Type: Spoken

Senator Moore, Claire asked:

Mr Yates: ... Last year the total commitments of the CEFC were approximately \$837 million worth of commitments. That takes our current portfolio of commitments to around \$1.7 billion. That is the current commitment of total projects that we have. As I said, last year was \$837 million of additional commitments.

Senator MOORE: Can you give me how many projects that \$837 million was for?

Mr Yates: I do not know the exact number for this year's projects, but in total we have done 60 transactions overall, and through our co-financing arrangements around 500 companies in Australia have benefited from it.

Senator MOORE: So that would be 60 projects for the \$1.7 billion.

Mr Yates: In total, that would include some that have actually repaid over that period. I can come back to you if you specifically want to know.

Senator MOORE: That would be useful to know.

Answer:

In 2015-16, the CEFC made 15 investment commitments worth up to \$837m including:

1. The CEFC is lending unlisted property fund manager, Quintessential Equity (QE), \$68 million to 'stretch' the design of a \$120 million 14-level commercial office tower to a market leading 5.5 star standard under the National Australian Built Environment Rating System (NABERS), that will create an exemplar green building in Geelong in Victoria, to serve as the new headquarters for WorkSafe Victoria.
2. The CEFC has committed \$90 million as a cornerstone investor in Westpac's first climate bond issuance, which has been certified by the Climate Bonds Initiative, and will finance a \$1 billion Australian-based clean energy portfolio, including low carbon commercial buildings.
3. The Westpac Energy Efficient Financing Program will assist businesses to lower their energy costs and improve their competitiveness using clean energy. Westpac will use the \$200 million CEFC commitment to provide its customers with a 0.7 per cent discount on finance for qualifying projects supporting investment in solar, energy efficient technologies and low emissions vehicles.
4. University of Melbourne working with the CEFC to accelerate clean energy goals through \$9.1 million commitment, which will reduce the University's energy bills, while increasing productivity and sustainability.

5. CEFC financed Australian company Windlab commercialising innovative CSIRO research, of up to \$8 million to help Windlab continue its expansion from project development to investment and asset management.
6. CEFC and Palisade draw major funds to support renewable energy projects valued at \$1 billion, CEFC is allocating up to an initial \$50 million of equity to the initial \$1 billion investment strategy.
7. A \$15 million commitment towards a 10.6MW of solar PV and 6MW of battery storage at Sandfire Resource's DeGrussa Copper Mine in Western Australia.
8. A \$60 million commitment to St George Community Housing (SGCH) to develop energy efficient social and affordable housing projects in New South Wales. This is an Australian first and is expected to lead to the construction of over 200 new energy efficient homes; and upgrades to some of SGCH's 4,300 existing, older properties with energy efficient technologies.
9. A \$30 million commitment to the City of Melbourne to accelerate their sustainability initiatives. The City of Melbourne is allocating up to \$20 million for street lighting upgrades, rooftop solar installations and other sustainability projects to reduce its carbon footprint. The remaining \$10 million will support Sustainable Melbourne Fund's Environmental Upgrade Agreement program, increasing the availability of finance for commercial and strata property owners to install solar and upgrade equipment.
10. A commitment of up to \$20 million in cornerstone debt finance to Elecnor Australia for a large-scale solar farm near the Central Queensland town of Barcaldine. The Barcaldine Solar Farm 20MW AC (25 MW DC) solar facility will be capable of generating power for some 5,300 homes, using single-axis tracking technology.
11. A commitment of \$67 million as part of a five-year, \$276 million senior secured debt financing to what will be Australia's third largest wind farm, at Ararat in Victoria.
12. A \$100 million cornerstone commitment to the new Australian Bioenergy Fund to support investment in a broad range of projects seeking to produce energy from agricultural, council, forestry and mining waste streams. It is aiming raise more than \$200 million in equity and will be managed by the Foresight Group (Foresight).
13. A \$50 million funding package with Eclixp Group (ASX: ECX), one of Australia's largest independent fleet leasing companies to support the increased uptake of low emissions vehicles. The package will provide Eclixp's corporate, government and not-for-profit fleet buyers with access to favourable loan interest rates when choosing eligible low emissions passenger and light commercial vehicles.
14. CEFC invested \$20 million in the first certified green bond transaction of its type in Australian market, linked to solar PV and renewable energy assets. Investment is part of a new securitisation issued by FlexiGroup Limited, which includes a \$50 million 'green' tranche that has been certified by the global Climate Bonds Initiative.
15. An unannounced \$50M equity investment into an existing property fund to fund acquisitions and refurbishment works and also to reposition the Fund as a "green" focussed fund through changing its constituent and policy documents to embed sustainability as a core activity of the Fund. This will drive future upgrades and acquisitions of commercial, retail (including shopping centres) and industrial properties (with a view to adding value via energy upgrade and repositioning works).