

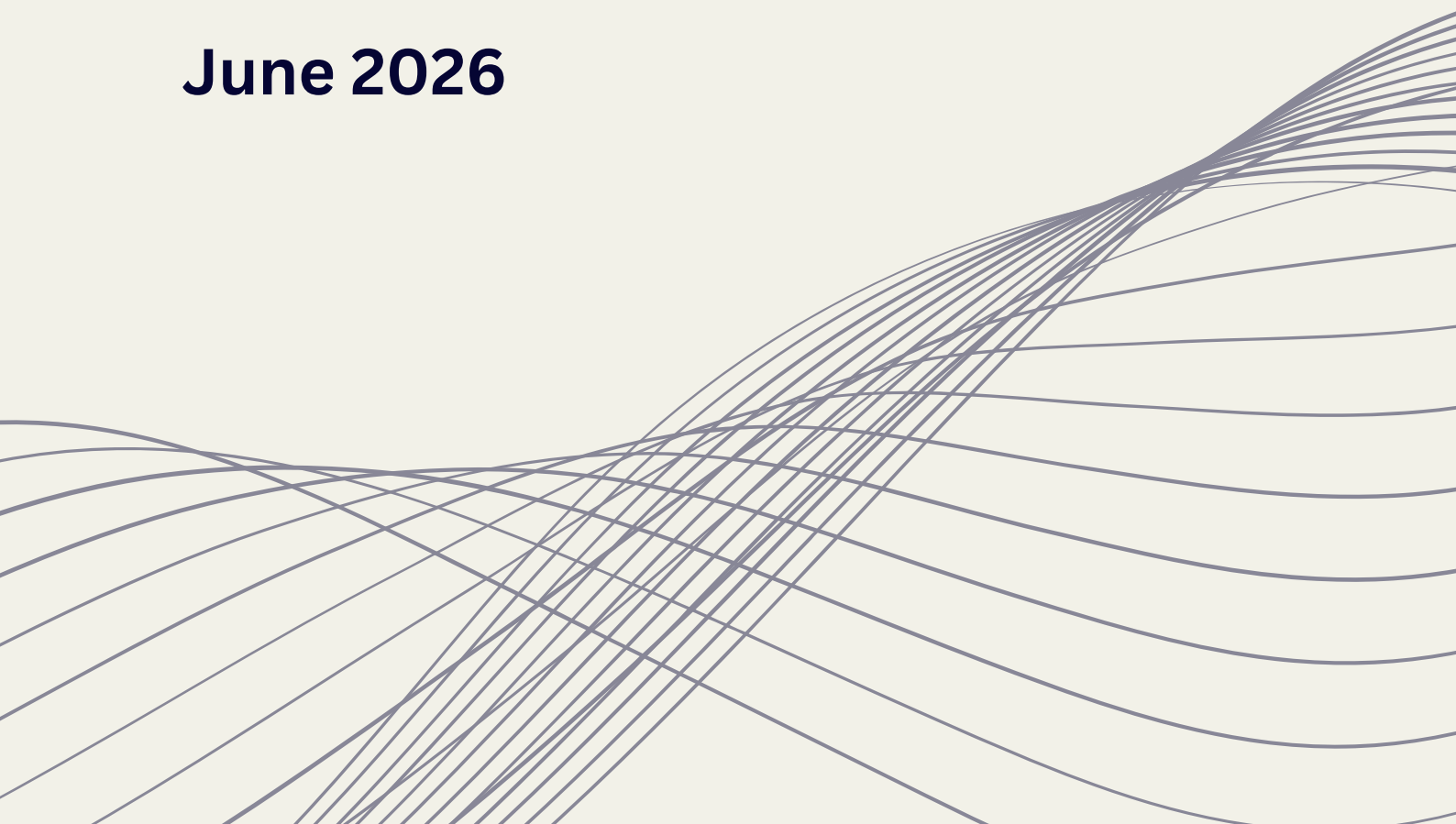


**CLIMATE  
CAPITAL  
FORUM**

Investment for  
Australia's Post  
Carbon Economy

# GETTING CLEAN ENERGY CAPITAL MOVING

**June 2026**



## Executive Summary

In recent years, significant public funding has been committed to accelerating the energy transition. Initiatives such as the National Reconstruction Fund (NRF), the Future Made in Australia (FMIA) Act, and the Clean Energy Finance Corporation (CEFC) reflect a growing and serious commitment to mobilising capital toward net zero industries and the decarbonisation of the Australian economy.

Mobilising that capital demands government leadership to remove bottlenecks and create clear market signals.

Our delegation is focused on these practical proposals to get capital moving:

- **Accelerate deployment of already announced funding**

Accelerate already announced clean energy and industry funding by increasing delivery speed, risk appetite, and co-investment flexibility across institutions like ARENA, CEFC and the NRF ensuring committed public capital unlocks projects and crowds in private investment.

- **Early-Stage Cleantech Funding**

Make available more catalytic funding that targets earlier stages of innovation – either through expanding initiatives, reinstating the Industry Growth Program or equipping funds like the CEFC and NRF to invest in more first-of-a-kind projects; and remove barriers for the private sector to invest in innovation and entrepreneurship.

# Funds are moving but not fast enough

## Time to walk the talk

Australia has set an ambitious vision for the expansion of renewable energy and clean industry development to build Australia's future prosperity.

However the vision is at risk unless deployment rates are accelerated for the tens of billions of dollars committed to the clean energy transition through institutions and programs such as the **National Reconstruction Fund (NRF)**, **Clean Energy Finance Corporation (CEFC)**, **ARENA** and the **Future Made in Australia (FMIA) agenda**.

The pace of capital deployment today is lagging significantly behind policy ambition. In the Climate Change Authority's recent annual report (December 2025), it stated that only \$1.3 billion has been committed of the \$47 billion FMIA announced funds<sup>1</sup>.

Casting a wider net on commitment, our members have assessed that Australia has committed \$90 billion of funds since 2023 (Federal \$82B + States \$8B) to the clean energy transition. Only 27% has been deployed. Despite a global fuel crisis firmly positioning climate and clean technology as a national security multiplier, deployment of capital is slowing.

The recent Federal Budget was a mixed bag on cleantech funding, including cuts to hydrogen and battery manufacturing of \$2-\$3 billion, while boosting funding to home batteries, industrial decarbonisation, low-carbon liquid fuels and some other small funding equalling \$7.5 billion<sup>2</sup>.

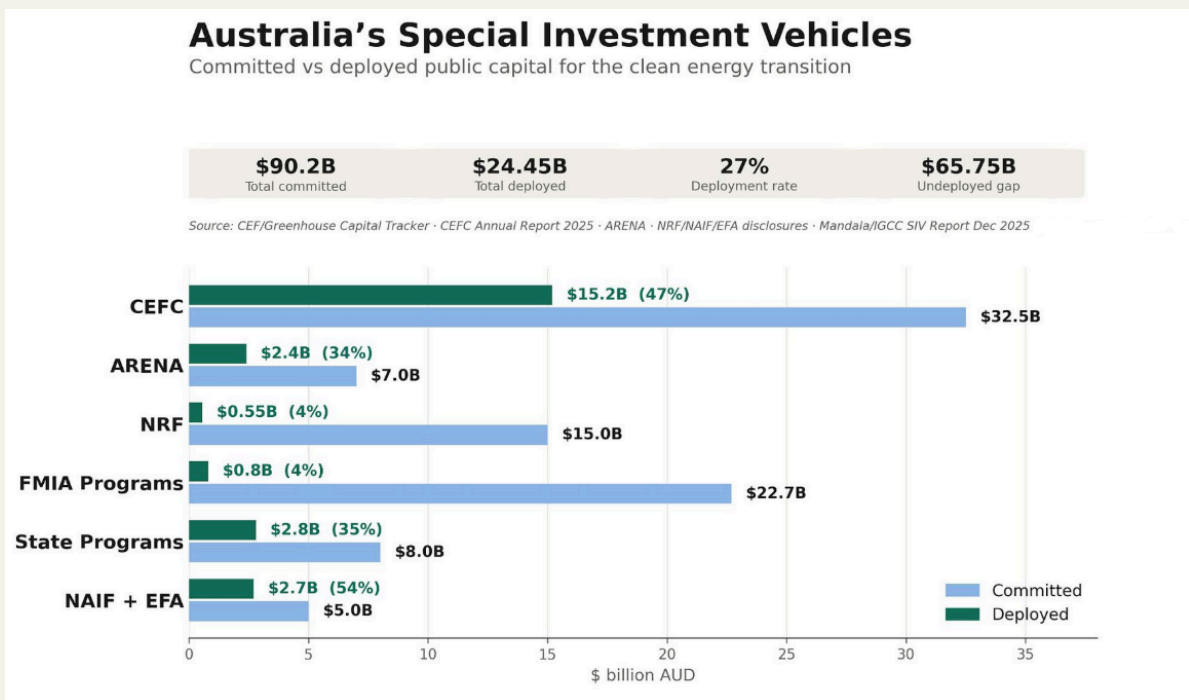
Many projects across renewable energy, grid infrastructure, clean manufacturing and critical minerals are reporting long delays in accessing committed funding.

<sup>1</sup> [2025 Annual Progress Report | Climate Change Authority](#).

<sup>2</sup> [Climate Capital Forum op-ed, May 2026](#)

The **Australia CleanTech Capital Tracker** reports the following deployment by fund:

- Export Finance Australia and Northern Australia Infrastructure Facility have deployed 54% to date
- CEFC is sitting at 47% deployed
- State programs have deployed 35%
- ARENA is sitting at 34% deployed
- FMIA and the NRF have each only deployed 4%



## We are calling for the Government to accelerate the deployment of committed capital by:

- Establishing clear **deployment targets and timelines** for public financing institutions.
- Simplifying grant and investment processes to reduce delays and duplication.
- Prioritising **speed to market for commercially viable projects**.
- Creating demand for new technologies through **market development via offtake agreements** to establish viable markets and pathways that unlock greater private investment across more projects.
- Addressing the non-financial barriers that slow project delivery, including planning and permitting delays, grid access constraints, market design limitations, and social licence challenges.
- Supporting **public-private co-investment vehicles** for climate technology - ensuring the targeted rate of return of Australia's Special Investment Vehicles crowds in, not crowds out private capital<sup>3</sup>
- Encouraging participation from superannuation funds and institutional investors.

We applaud the Government's progress to date, establishing the Investor Front Door, the monthly convenings of Specialist Investment Vehicle senior executives to be more coordinated, but capital must move faster. This is not about new announcements – it is about ensuring existing commitments translate into real projects, jobs and industrial capability.

**We urge the Australian Government to prioritise clear deployment targets and timelines for all Specialist Investment Vehicles to expedite the deployment of public funds into clean energy and industry projects.**

3 [Optimising Australia's Specialist Investment Vehicles for the Net Zero Journey](#) - Mandala, 2026

## Why it matters

### 1. A win for investors and industry

Accelerating deployment of public funds would:

- Reduce uncertainty in project pipelines
- Crowd in institutional and global capital
- Improve Australia's competitiveness for investment
- Enable projects to reach final investment decision faster
- Unlock supply chains and workforce development
- Prevent viable projects from relocating overseas

### 2. A win for households and the regions

Faster deployment of public capital would:

- Lower energy costs by bringing more clean capacity online sooner
- Reduce electricity price volatility through greater supply diversity
- Create local jobs and economic activity in communities across Australia
- Deliver long-term energy affordability by accelerating the transition away from expensive fossil fuels

### 3. A win for energy security

Speeding up the deployment of committed funds would:

- Accelerate renewable energy and grid investment
- Reduce dependence on fossil fuels imports
- Protect domestic manufacturing and households from international price shocks
- Strengthen energy security and productivity.

**Even modest improvements in deployment speed could unlock billions in private co-investment.**

# Early-stage cleantech funding

Australia has world-class clean technology research and a growing startup ecosystem. Yet many promising technologies struggle to reach commercialisation due to a **well-known early-stage financing gap**.

The government is signalling a more hands-on approach to industry policy through legislation like Future Made in Australia (FMIA) and the Net Zero Fund, which targets first-of-a-kind projects with modest return requirements – a step in the right direction. However, the **Net Zero Fund covers only around 8% of the government's total specialist investment vehicle (SIV) dollars** for Australia's net zero and FMIA goals, meaning the same logic needs to be applied across the entire investment portfolio.

The two main SIVs for new industry development – the Clean Energy Finance Corporation (CEFC) and the National Reconstruction Fund (NRF) – currently lean heavily on commercial debt rather than assets like concessional loans, guarantees and equity. This limits their ability to fund the riskier, early-stage technologies that new industries depend on.

As the Centre for Policy Development has noted, these vehicles are meant to crowd in private finance and accelerate emerging technology, yet most money still goes to projects the market would fund anyway<sup>4</sup>.

## **Two key reforms are needed to enable more funding in early-stage cleantech:**

1. More catalytic funding needs to be available that targets earlier stages of innovation – either through expanding initiatives, reinstating the Industry Growth Program<sup>5</sup> or equipping funds like the CEFC and NRF to invest in more first-of-a-kind projects
2. Removing barriers for the private sector to invest in innovation and entrepreneurship.

<sup>4</sup> [The government's clean energy funds are playing it too safe – Capital Brief](#)

<sup>5</sup> [Industry Growth Program](#)

Removing or relaxing matching requirements for early-stage funding would act as a “**growth hack**” for **accelerating innovation**, allowing promising technologies to progress more quickly from research to testing and demonstration.

Programs such as **EnergyLab**<sup>6</sup>, which already undertake extensive due diligence on startups, often identify strong ventures but must send them back into the market to secure matching capital before funding can flow. This slows progress at precisely the stage where speed matters most - and creates a bias against founders from less wealthy backgrounds.

International models demonstrate a more effective approach. California’s **CalSEED**<sup>7</sup> and **CalTestBed**<sup>8</sup> programs provide early-stage grants and testing infrastructure without requiring matching capital, enabling rapid development and validation of new technologies.

Adopting similar mechanisms in Australia would help accelerate early-TRL research, technology testing and commercialisation, strengthening Australia’s position in emerging clean industries.

EnergyLab’s partners (New Energy Nexus) have set up **AustestBed** to demonstrate that similar programs can be successfully run in Australia, offering businesses up to \$50,000 each in unmatched funding.

6 [energylab.org.au](http://energylab.org.au)

7 [calseed.fund](http://calseed.fund)

8 [caltestbed.com](http://caltestbed.com)

## We are calling for policy settings that help close this early-stage financing gap by:

- Expanding early-stage cleantech investment through a reinstated Industry Growth Program and expanded investment into programs with a strong track record of delivery like the Trailblazer Recycling and Clean Energy (TRaCE) program – enabling them to invest in projects at lower technology readiness levels.
- Replicating the concessional changes to the NRF’s Net Zero Fund to the broader investment mandate of the CEFC and other SIVs to invest at earlier stages - by updating investment mandates and benchmark rates of return, and strengthening institutional capacity to take more calculated risks.
- Removing or significantly relaxing matching capital requirements for early-stage grants to reduce barriers for emerging technologies and developers.
- Strengthening blended finance mechanisms between venture capital, superannuation, and public finance to crowd in private capital at the early stage.
- Establishing Australian equivalents of CalSEED and CalTestBed to accelerate technology testing and commercialisation.

## Why it matters

### 1. A win for innovation

Many Australian cleantech startups receive international interest but struggle to raise domestic capital.

Improving early-stage financing would:

- Retain intellectual property and economic value domestically
- Grow the next generation of climate technology companies.

## **2. A win for investors**

Early-stage climate technologies represent a rapidly growing global investment opportunity.

Closing the funding gap would:

- Enable more venture capital participation
- Improve the pipeline of investable companies
- Strengthen Australia's innovation ecosystem.

## **3. A win for the clean economy**

Cleantech innovation underpins key industries including:

- energy storage
- agricultural and food systems
- hydrogen and electrolysers
- green metals and materials
- grid technologies
- climate data and digital platforms.



## About the Climate Capital Forum

The **Climate Capital Forum** (CCF) is a network of investors, climate finance experts, decarbonising companies and philanthropists who came together to provide policy advice on how Australia can lead the world in decarbonising, renewable energy and cleantech innovation.

Established in December 2020, the CCF offers support to all levels of government on how to build a strong future economy and long-term job opportunities that will benefit Australia and uphold our commitments to our region and internationally as the world decarbonises.

Our members manage billions in assets and have firsthand experience navigating the barriers slowing down clean tech investment. We are here to share our lived experience of those barriers and propose practical, specific reforms that will unlock private capital, lift national capacity, and increase Australia's productivity.

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