

# CBA backs Tim Bishop's new climate investor, Wollemi Capital

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Former Macquarie Capital chief Tim Bishop's new climate investment firm, Wollemi Capital, has raised \$220 million to fund its expansion and attracted Commonwealth Bank as a strategic investor and partner.

CBA said Wollemi – which will invest in agriculture and food technology, new energy market infrastructure and other businesses reducing greenhouse gas emissions – would help the bank develop expertise around emerging technologies to support the economy's transition towards net zero. CBA declined to reveal the size of its equity investment.

Wollemi has attracted other heavy-hitting investors, including Carol and Alan Schwartz's Trawalla Group, Vincent Fairfax's family office Cambooya, and the University of Sydney. Other shareholders include former Macquarie CEO Nicholas Moore, Square Peg co-founder Paul Bassat and Caledonia Investments co-founder Mark Nelson, according to ASIC documents.



Paul Hunyor, left and Tim Bishop, co-founders of Wollemi Capital, in Sydney after banking a \$220 million Series A capital raising. **Renee Nowytagger**

The funding round may be Australia's largest ever Series A capital raising and was double the initial target amid a relatively subdued market for start-up financing. Trawalla provided a \$US35 million cornerstone investment and Alan Schwartz has joined the Wollemi board.

Mr Bishop and co-founder Paul Hunyor said Wollemi would provide flexible capital to companies with proven technologies seeking to scale up and commercialise, to meet corporate demand for decarbonisation.

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It will deploy its balance sheet using various types and duration of capital. It already employs 20 people, in offices in the United States and Australia, and anticipates building a team of about 100 investment specialists in the US, Europe and Australia over the next decade.

Wollemi also plans to build out a series of funds around its successful investment themes, which would earn annuity style fee income and replicate a strategy perfected by Macquarie, a pioneer in infrastructure investment for assets generating green energy.

Both Mr Bishop and Mr Hunyor stress they are building an investment business, not just a fund, as they seek to create a “bridge to bankability” for projects too small for existing infrastructure funds, and too early for mainstream lenders, but are

more advanced or capital intensive than businesses that would attract pure venture capitalists.

“We are not looking to make a big bet on one piece of technology in the hope it will work, that is not our playbook,” said Mr Bishop, who spent 20 years at Macquarie, including building its green investment group, before retiring in 2019

[<https://www.afr.com/companies/financial-services/latest-macquarie-group-executive-leaves-on-a-high-20190503-p51jox>].

“We are investing in proven technologies, with proven unit economics, which are not yet ready for banks or larger funds. We are coming in at a growth phase, where the risk is around scale and manufacturing.”

Mr Hunyor, the former head of Boston Consulting Group's corporate venture unit in Asia, said Wollemi's investors have backed an ambitious strategy that would have “Australia punch above its weight and be pioneering and innovative here”.

“We have both had front-row seats to see how big the transition is. I have seen the corporate demand first-hand, through the top hundred clients of BCG yearning for more decarbonisation solutions. Yet, the transition is quite nascent, and we are at the beginning of a complete sectoral, structural shift in every aspect of the economy,” Mr Hunyor said.

So far, Wollemi has closed three transactions. It has invested alongside Bill Gates' Breakthrough Energy in a nature-based carbon credit platform Pachama

[<https://www.afr.com/companies/financial-services/ex-maccap-boss-tim-bishop-s-wollemi-sprouts-carbon-investment-20220520-p5an3a>], which uses satellites to monitor reforestation.

It has also co-invested in agtech start-ups Loam Bio, which coats seeds in a fungus to promote plant growth and enhances resilience against drought, disease and high temperatures; and Pluton Bio, which is using microbes to improve soil fertility, pest and disease control, and to sequester carbon.

Wollemi will examine broader investment opportunities around the decarbonisation of food supplies and agriculture, including the transition from chemistry- to biology-based farming that can lift crop yields. It will also seek opportunities around the creation of markets to trade biodiversity.

Andrew Hinchliff, group executive for institutional banking and markets at CBA, said the strategic investment would help develop the bank's climate, carbon and

biodiversity expertise as it looked to “accelerate the innovation needed to drive Australia’s transition to net zero across key sectors as well as develop carbon markets as an important transition tool”.

The alliance will enable CBA and Wollemi to collaborate on quality carbon opportunities, [<https://www.afr.com/companies/financial-services/cba-is-creating-a-market-for-nature-repair-20230418-p5dlgn>] and explore ways to connect CBA’s customers to Wollemi’s network of emerging climate-focused companies to support their decarbonisation goals. CBA can also provide carbon markets and banking services to Wollemi portfolio companies to assist with their growth plans.

Mr Bishop said the plan was to build a lender with scale. “Over a decade we’ve witnessed the evolution of wind and solar to become bankable established technologies,” he said.

“That experience positions Wollemi to invest in emerging parts of the climate space by being hands-on partners to our portfolio companies, bringing technical and operational expertise matched with flexible and patient capital. We are excited by opportunities rapidly emerging in food, agriculture and natural capital, among others.”

Natural capital refers to nature resources that are held on corporate balance sheets, given moves under consideration by the Taskforce on Nature-related Financial Disclosures [<https://www.afr.com/companies/financial-services/nature-disclosure-standards-coming-next-year-for-banks-companies-20221110-p5bx2s>]. Wollemi will also examine investment opportunities in bidirectional charging infrastructure, which could help to put power stored in heavy vehicle batteries back into energy grids when cars are idle.



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