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# Annual Information Statement

2024-2025

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# Acknowledgment of Country

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We acknowledge that Aboriginal and Torres Strait Islander peoples are the First Peoples and Traditional Custodians of Australia, and the oldest continuing culture in human history.

We pay respect to Elders past and present, and commit to respecting the lands we walk on, and the communities we walk with.

We celebrate the deep and enduring connection of Aboriginal and Torres Strait Islander peoples to Country and acknowledge their continuing custodianship of the land, seas and sky.

We acknowledge the ongoing stewardship of Aboriginal and Torres Strait Islander peoples, and the important contribution they make to our communities and economies.

We reflect on the continuing impact of government policies and practices, and recognise our responsibility to work together with and for Aboriginal and Torres Strait Islander peoples, families and communities towards improved economic, social and cultural outcomes.



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Published by the Energy Security Corporation

2025 Annual Information Statement

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The Hon. Penny Sharpe, MLC  
Minister for Climate Change and Energy

31 October 2025

52 Martin Place  
Sydney NSW 2000

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**Re: Energy Security Corporation (ESC) Annual Information Statement 2024-25**

Dear Minister,

On behalf of the Board and Management of the ESC, I am pleased to present the Energy Security Corporation Annual Information Statement 2024-25.

The Annual Information Statement has been prepared for presentation to the NSW Parliament in accordance with Division 7.3 of the *Government Sector Finance Act 2018* (the Act) and meets the requirements of the *Energy Security Corporation Act 2024*.

The reporting framework under the Act enables agencies to self-assess within one of 3 groups, which determines the prescribed level of financial and annual reporting. The ESC has been assessed as a Group 2 entity and has prepared its Annual Information Statement accordingly. The statement includes the following sections:

- Overview
- Strategy
- Operations and performance
- Management and accountability
- Sustainability
- Financial performance

This Annual Information Statement was approved by the ESC Board on 22 October 2025. It must be tabled in both Houses of Parliament within five months of the relevant reporting period, being no later than 30 November 2025.

Yours sincerely,



Cameron O'Reilly  
Chair

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# Chair and Interim CEO message



2025 marks the launch of the Energy Security Corporation (ESC), a new specialist investor created by the NSW Government to accelerate the state's once-in-a-generation energy transformation.

With \$1 billion in seed capital, our role is to direct investment into the large-scale storage, firming and enabling infrastructure that underpins a reliable, affordable and low-emissions electricity system.

The market context for our establishment could not be more challenging or more critical. New South Wales is preparing for the staged retirement of its coal-fired power stations, which currently supply the majority of the state's electricity. At the same time, demand for energy is growing, driven by data centres, electrification, population growth and the integration of record levels of new renewable generation. These pressures create a clear imperative for new investment in large-scale storage, firming capacity and enabling infrastructure. Without these, reliability risks increase and the pace of decarbonisation slows.

In our establishment year, the ESC has focused on strong foundations: governance, strategy, investment capability and deal development. Since 1 July 2025, we have operated as an independent agency, with a Board of Directors in place, our Investment and Risk Policies endorsed, and preparations underway to commence investment operations. This early work positions us to move quickly into investment execution, crowding in private capital and addressing project risks that others cannot take alone.

We recognise that the investment task ahead is urgent and substantial. Our mandate is not to duplicate what government or the private sector already do, but to step in where our capital can be catalytic: helping projects achieve financial close, extend storage duration or bring forward commercial operation. By doing so, we aim to accelerate the delivery of clean energy infrastructure that will secure New South Wales's electricity system through the transition.

This is the beginning of the ESC's journey, but the scale of the opportunity is clear. We bring commercial rigour, public purpose and a strong appetite for partnership to the task of building a modern, resilient and low-emissions energy system for New South Wales.

A handwritten signature in dark ink, appearing to read 'Cameron O'Reilly'.

Cameron O'Reilly  
Chair

A handwritten signature in dark ink, appearing to read 'Paul Peters'.

Paul Peters  
Interim Chief Executive Officer



# Overview

## About the Energy Security Corporation

The ESC is a government-backed clean energy investor with a clear public mandate: to accelerate investment in large-scale storage and enabling infrastructure to support a reliable and secure electricity system for New South Wales. Our role is to unlock private capital by co-investing in clean energy projects that underpin energy system reliability.

Through targeted, catalytic investment, we are accelerating the delivery of critical energy projects and securing the electricity system New South Wales needs, now and into the future.

The purpose of the ESC is set out in the *Energy Security Corporation Act 2024* (ESC Act) through the following objectives:

- accelerate private sector investments in clean energy projects in New South Wales that improve the reliability, security and sustainability of electricity supply
- support New South Wales to achieve the targets for reducing net greenhouse gas emissions under the *Climate Change (Net Zero Future) Act 2023*
- complement other Government initiatives relating to clean energy technologies and partner with the private sector to finance clean energy technologies
- achieve a government-mandated rate of return through a portfolio approach.

Our Investment Mandate, issued by the NSW Government, sets the parameters for our investment activities and guides how we co-invest with the private sector in New South Wales-based clean energy projects. Priority areas of investment, as outlined in the Mandate, include:

- utility-scale storage projects to cover long periods of lower-than-expected variable renewable energy availability, which is of 8 hours in duration or greater
- utility-scale storage projects between 4 to 8 hours in duration

- 
- utility-scale storage projects, up to 4 hours in duration, connected to a distribution network
  - energy generation, storage and end-use equipment that is located on the customer side of the electricity meter including, but not limited to, virtual power plants (VPPs)
  - system security and network infrastructure.

With a clear public mandate and investment independence, the ESC is uniquely positioned to invest in the initiatives and technologies needed to deliver a reliable and secure electricity system for New South Wales.

# Strategy

New South Wales is undergoing a once-in-a-generation energy transformation under the NSW Government's Electricity Infrastructure Roadmap (the Roadmap). The ESC complements the work of key Roadmap partners, including the NSW Department of Climate Change, Energy, the Environment and Water (DCCEEW), EnergyCo, and ASL, by directing capital into the infrastructure needed to deliver a modern, reliable and secure electricity system as coal-fired power stations retire across the state.

To fulfil this role, the ESC is guided by the following strategic objectives, pillars and priorities:

## Strategic objectives

- Commit an initial \$1 billion of funding over the next 3 years.
- Invest in critical storage and enabling infrastructure to:
  - » bring forward new capacity projects reaching Final Investment Decision (FID) and Commercial Operations Date (COD)
  - » catalyse private capital
  - » build private investor confidence in 4 to 8 hour duration storage projects
  - » de-risk the reliability gap associated with coal-fired power station closures.
- Deliver a long-term portfolio return of the 5-year NSW Treasury Bond rate +1.5%.

## Strategic pillars

- Align with the ESC Investment Mandate.
- Deliver new capacity and/or greenfield projects.
- Support strong, capable sponsors and address project funding gaps.
- Crowd in private lenders and equity by absorbing risks that commercial capital will not take.
- Catalyse FID and/or bring forward COD.
- Extend the duration of energy storage.

## Strategic priorities

- Invest in longer duration Battery Energy Storage Systems (BESS) and BESS hybrid projects, including projects that:
  - » close reliability and system gaps in the Sydney-Newcastle-Wollongong subregion
  - » deliver up to 4 GW/16 GWh in longer duration storage and firming capacity.
- Continue to align and coordinate with key Roadmap entities to identify priority projects.
- Develop project investment opportunities to:



- 
- » support existing network upgrades that unlock hosting and transfer capacity for renewables
  - » invest in deeper storage (pumped hydro energy storage [PHES], compressed air energy storage [CAES] and other long-duration storage projects)
  - » develop investment opportunities for Consumer Energy Resources (CER).

# Operations and performance

Backed by \$1 billion in seed funding, the ESC co-invests in projects that strengthen the reliability and security of New South Wales's electricity system. With the financial flexibility to deploy equity, debt and hybrid instruments, with concessionality, the ESC can help close financing gaps and move projects forward.

We invest between \$25 million and \$150 million per project, targeting initiatives that need flexible capital to reach financial close.

As at 30 June 2025, the ESC was building its investment pipeline and establishing itself as a new, independent agency under the NSW Government.



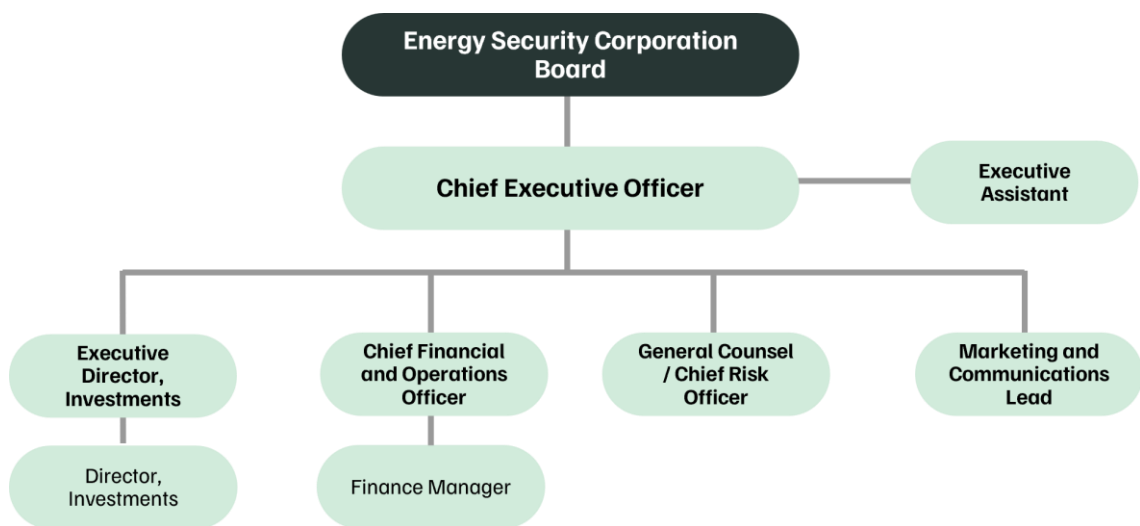
© DCCEEW / Matt Beaver

# Management and accountability

The ESC’s leadership comprises a Board of Directors and an Executive Team. These committed individuals bring deep expertise, particularly in infrastructure and energy finance, to make the critical investments required to deliver on the Corporation’s public mandate.

## Organisational structure

The ESC is structured to maximise performance in line with the ESC Act and its Investment Mandate. Our core activities include investment sourcing, transaction execution and portfolio, credit and risk management. These functions are supported by a range of specialist areas, including finance, risk, legal, governance, compliance, marketing and communications, and people and culture - with some services delivered in partnership with DCCEEW.



As at 30 June 2025

## Our Board:

The ESC is governed by an independent Board appointed by the NSW Treasurer and Minister for Finance on 26 June 2025. The Board is responsible for approving investment decisions and providing effective governance.

Board members bring expertise across energy, finance, law, infrastructure and risk, ensuring strong and independent oversight of the ESC’s operations and impact.

### Cameron O'Reilly, Board Chair

Cameron is an energy and public policy expert with over 20 years' experience in Australia's energy markets. Until recently, he was an Associate Director at Marsden Jacob Associates, where he led the 2023 *Electricity Supply and Reliability Check-Up* for the NSW Government. From 2018 to 2020, Cameron served as a senior energy official in the NSW Department of Planning Industry and Environment - the period in which the New South Wales Electricity Infrastructure Roadmap was legislated.

Cameron previously served on the boards of Aurora Energy and Mojo Power, and on the Advisory Board of Infradebt Pty Ltd. From 2006 to 2015, he was the Chief Executive of the Energy Retailers Association of Australia. A Fulbright Scholar and qualified company director, he currently serves on the Board of Relationships Australia NSW.

### David Borger

David is the Executive Director of Business Western Sydney and a former NSW Minister for Housing, Roads and Western Sydney, as well as Assistant Minister for Transport and Roads. He has extensive experience across both the public and private sectors, with a strong track record in infrastructure delivery and policy development. He also brings deep expertise in governance developed through his service on a wide range of boards and advisory committees.

David currently serves as a Director of Think Planners, Independent Chair of the Liverpool Innovation Precinct, non-executive director of the NRMA, Advisory Board Member for the Sydney Olympic Park Authority and President of the Board of Trustees at the Powerhouse.

### Helen Conway

Helen is a lawyer and business leader with over 30 years' experience spanning legal practice, as both a law firm partner and an in-house counsel, and executive and board roles across the corporate, public and not-for-profit sectors. She has worked in several industries including financial services, energy, education and social services.

Known for her deep commitment to equity, fairness and community service, Helen has held leadership positions such as Judicial Head of New South Wales's Equal Opportunity Tribunal and the Director of the Federal Government's Workplace Gender Equality Agency.

She currently serves as Chair of KU Children's Services, Australian Business Volunteers, Mary's House Services and Chief Executive Women and as a non-executive director of Youth Off The Streets.

### Michael Cummings

Michael is a seasoned infrastructure executive with more than 34 years of international experience spanning strategic leadership, operations, investment and governance. He has held senior executive roles in publicly listed and private companies across the energy, healthcare and transport sectors. Most recently, Michael served as Co-Head of Infrastructure at Dexus and previously worked at AMP Capital, Brookfield, Vector (NZ) and British Gas. He is currently an Independent Specialist Advisor to NSW TCorp and a Director of the Australia and New Zealand Academy of Eating Disorders.

His past directorships include Endeavour Energy, Powerco (NZ), Melbourne Airport, Opal Aged Care, WA Gas Networks and Natural Gas Pipeline Limited (US). He has chaired a range of companies, including Evergen, Tas Gas Networks, Cross Sound Cable (US) and IEG (UK).

Michael is a Fellow of the Australian Institute of Company Directors and a Chartered Member of Engineering New Zealand.

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### Sharon Eacott

Sharon has over 25 years of experience as a commercial lawyer, executive and independent consultant in the energy and infrastructure sectors across Australia, Asia and the Middle East. She has held senior roles in both the public and private sectors and brings a strong legal background, having served as a partner at a leading international commercial law firm and as General Counsel at Alinta Energy. Sharon offers significant expertise in governance, probity and risk management, mergers and acquisitions, joint ventures, project finance and construction. Most recently, she was General Manager of Governance and Risk at AEMO Services and played a key role in the establishment of the NSW Government Electricity Infrastructure Roadmap and the Commonwealth Government Capacity Investment Scheme.

She is currently a non-executive director at Coeliac Australia. Her past board roles include Australian Data Risk Management, the Centre for Legal Innovation and the College of Law Western Australia.

### Katerina Kimmorley

Katerina is the Head of Commercial and Investments at Boundless Earth and a Commissioner on the NSW Net Zero Commission. She is a recognised leader in renewable energy finance and commercial strategy, with deep expertise in accelerating investment in emerging clean technologies and infrastructure. Her career spans roles at the Clean Energy Finance Corporation, QIC Global Infrastructure and as co-founder of the social enterprise Pollinate Energy.

Katerina has been named one of the Australian Financial Review's 100 Women of Influence, the London School of Economics Entrepreneur of the Year, and a recipient of the Prince of Wales Young Sustainability Entrepreneur Prize.

### Daniel Papps

Daniel is an expert in employment and industrial relations law, workplace health and safety, and corporate governance. Daniel has engaged in employment negotiations in the energy sector with Ausgrid, Transgrid, Essential Energy and Endeavour Energy, and regularly appears before state and federal industrial tribunals on workplace matters.

He serves as the primary legal adviser at the United Services Union, supporting a membership of more than 30,000. He is currently a Trustee Director of Legal Super.

## Executive Team:

An interim team was engaged by DCCEEW to establish the ESC and commence operations. The team comprises specialists with expertise in energy and infrastructure finance, supported by strong capability in law, governance and communications. Together, they bring the commercial experience and public purpose required to accelerate investment in the clean energy projects that will strengthen New South Wales's electricity system.

### Paul Peters, Interim Chief Executive Officer

Paul was appointed Interim CEO on 4 December 2024. He is an entrepreneurial founder with over two decades of senior executive experience across energy, infrastructure, advisory and investment. He has founded and led businesses driving the clean energy transition, including Novo Advisors, Verdia and GVP Capital, delivering large-scale energy and infrastructure projects across Australia and Asia.

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The remaining members of the interim Executive Team are as follows:

- Peter Crimp, Chief Finance and Operations Officer (appointed 25 November 2024)
- Laurence Street, General Counsel and Chief Risk Officer (appointed 20 January 2025)
- Abi Sexton, Marketing and Communications Lead (appointed 20 January 2025)
- Kim Nguyen, Executive Director, Investments (appointed 13 March 2025)

#### ESC employees

All employees and contractors were engaged by DCCEEW to establish the ESC and commence operations.

As at 30 June 2025, no employees were directly employed by the ESC.

#### Consultant services

During the financial year ending 30 June 2025, the ESC engaged one consultant to provide financial policy advice, at a total cost of \$47,000.

### Governance

The ESC was in transition during the financial year ending 30 June 2025, with governance arrangements progressively established, including:

- On 26 June 2025, the Board of Directors was appointed.
- On 8 July 2025, the inaugural Board of Directors' meeting was held, with the Board Charter and Code of Conduct approved.
- On 31 July 2025, the Audit and Risk Committee was appointed.
- On 27 August 2025, the Board approved the Audit and Risk Committee Charter, Investment and Risk Policies, Finance Policies and Risk Management Framework.
- On 29 August 2025, the Investment and Risk Policies was published on the ESC website.

#### Privacy and Personal Information Protection Act 1998

Since May 2025, the ESC has established operational arrangements to comply with the *Privacy and Personal Information Protection Act 1998* (PPIP Act), DCCEEW's Privacy Management Plan (PMP) and Data Breach Policy.

#### Government Information (Public Access) Act 2009

The ESC provides certain information to the public under the *Government Information (Public Access) Act 2009* (GIPA Act) and publishes an agency information guide in accordance with the Act.

#### Internal audit and risk management policy:

The attestation required by TPP 20-08 was not provided for 2024–25, as the Audit and Risk Committee was not appointed until 31 July 2025.

### Key risks

In line with the ESC Act, the Board has formulated written policies on risk management for both ESC investments and organisational operations. The Board's Risk Appetite Statement, set out in Section 8 of the Investment and Risk Policies, defines the ESC's risk boundaries in pursuit of its objectives.

The ESC operates under an enterprise-wide Risk Management Framework, designed to identify, assess and effectively manage risk. This framework is structured around 6 pillars of activity, ensuring a holistic approach across all business functions, including:



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1. Strategic

2. Investment

3. Financial

4. Operational and people

5. Regulatory and compliance

6. Reputation

These functional pillars work progressively and collectively to identify and manage risks, reducing the impact of uncertainty on the ESC's objectives.

Together, these activities, supported by policies, procedures and documentation, form the ESC's Risk Management Framework.

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# Sustainability

As at 30 June 2025, the ESC was in its establishment phase, with staff provided by DCCEEW. During this period, the ESC operated under DCCEEW's policies, including the Disability Inclusion Action Plan, the *Modern Slavery Act 2018* (NSW) and the Workforce Diversity Statement.

The ESC intends to develop and implement its own sustainability policies by 30 June 2026.



© DCCEEW / Mike Terry

Financial  
performance

# **Energy Security Corporation**

## **Financial Statements**

*for the year ended 30 June 2025*

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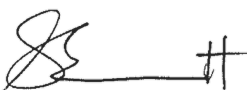
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**Energy Security Corporation**  
**Statement by the accountable authority**  
**For the year ended 30 June 2025**

Pursuant to section 7.6(4) of the *Government Sector Finance Act 2018*, we state on behalf of the Board of Energy Security Corporation that these financial statements:

- have been prepared in accordance with the Australian Accounting Standards and the applicable requirements of the *Government Sector Finance Act 2018*, the Government Sector Finance Regulation 2024, and the Treasurer's directions, and
- present fairly the Energy Security Corporation's financial position, financial performance and cash flows.

Signed.....

**Sharon Eacott**  
**Director**  
**Date: 28 October 2025**

Signed.....

**Cameron O'Reilly**  
**Chair**  
**Date: 28 October 2025**



**Energy Security Corporation**  
**Statement of comprehensive income for the year ended 30 June 2025**

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|  | Notes | 2025<br>\$'000 |
|--|-------|----------------|
| <b>Continuing operations</b>           |       |                |
| <b>Expenses excluding losses</b>       |       |                |
| Operating expenses                     | 2     | 3,814          |
| <b>Total expenses excluding losses</b> |       | <b>3,814</b>   |
| <b>Revenue</b>                         |       |                |
| Grants and contributions               | 3(a)  | 5,546          |
| <b>Total revenue</b>                   |       | <b>5,546</b>   |
| <b>Net result</b>                      |       | <b>1,732</b>   |
| <b>Total comprehensive income</b>      |       | <b>1,732</b>   |

The accompanying notes form part of these financial statements.

**Energy Security Corporation**  
**Statement of financial position as at 30 June 2025**

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|                            | Notes | 2025<br>\$'000 |
|----------------------------|-------|----------------|
| <b>ASSETS</b>              |       |                |
| <b>Current assets</b>      |       |                |
| Cash and cash equivalents  | 4     | 5,546          |
| Receivables - GST          |       | 22             |
| <b>Total assets</b>        |       | <b>5,568</b>   |
| <b>LIABILITIES</b>         |       |                |
| <b>Current liabilities</b> |       |                |
| Payables                   | 5     | 3,836          |
| <b>Total liabilities</b>   |       | <b>3,836</b>   |
| <b>Net assets</b>          |       | <b>1,732</b>   |
| <b>EQUITY</b>              |       |                |
| Accumulated funds          |       | 1,732          |
| <b>Total equity</b>        |       | <b>1,732</b>   |

The accompanying notes form part of these financial statements.

**Energy Security Corporation**  
**Statement of changes in equity for the year ended 30 June 2025**

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|                                | <b>Accumulated<br/>funds<br/>2025<br/>\$'000</b> | <b>Total<br/>equity<br/>2025<br/>\$'000</b> |
|--------------------------------|--|---|
| <b>Balance at 1 July 2024</b>  | -  | -   |
| Net result for the year        | 1,732  | 1,732                                       |
| <b>Balance at 30 June 2025</b> | <b>1,732</b>                                     | <b>1,732</b>                                |

The accompanying notes form part of these financial statements.

**Energy Security Corporation**  
**Statement of cash flows for the year ended 30 June 2025**

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|   | Notes | 2025<br>\$'000 |
|---|-------|----------------|
| <b>Cash flows from operating activities</b>                   |       |                |
| <b>Receipts</b>   |       |                |
| Grants and contributions                                      |       | 5,546          |
| <b>Total receipts</b>   |       | <b>5,546</b>   |
| <b>Net cash flows from operating activities</b>               | 8     | <b>5,546</b>   |
| <b>Net increase / (decrease) in cash and cash equivalents</b> |       | <b>5,546</b>   |
| Opening cash and cash equivalents                             |       | -              |
| <b>Closing cash and cash equivalents</b>                      |       | <b>5,546</b>   |

The accompanying notes form part of these financial statements.

## **1. Summary of material accounting policy information**

### **(a) Reporting entity**

The Energy Security Corporation (the Corporation) is a newly established reporting entity under the *Energy Security Corporation Act 2024* (the Act). The Corporation was established on 24 June 2024 as a NSW government statutory body representing the Crown and is subject to the control of the Minister of Energy and the Minister of Climate Change. It is a not-for-profit entity as profit is not its principal objective, and it has no cash generating units.

Under the Act, a Board has been appointed to exercise the functions of the Corporation. The objectives of the Corporation are to accelerate private sector investments in clean energy projects in New South Wales that improve the reliability, security and sustainability of electricity supply, to support New South Wales to achieve the targets for reducing net greenhouse gas emissions under the *Climate Change (Net Zero Future) Act 2023*, to complement other Government initiatives relating to clean energy technologies and partner with the private sector to finance clean energy technologies.

A Special Deposits Account (SDA) called the Energy Securities Corporation Fund (ESC Fund), has been established, where funding of one billion dollars will be transferred from the Restart NSW Fund under the *Restart NSW Fund Act 2011* to the Corporation to commence its operations next financial year. The ESC Fund is managed and under the control of the Treasurer and the Minister. Funds in the ESC Fund will be re-invested in the NSW government OneFund.

An Energy Securities Corporation Operational Fund (Operational Fund) has also been established in the Special Deposits Account and is managed by the Board. Funds will be paid out of the ESC Fund into the Operational Fund to meet expenditure incurred by the Corporation in the exercise of its functions including investments, administration expenses and remuneration and allowances.

Though the Corporation has the authority to employ staff under Part 2, section 9 of the Act, currently the Corporation utilises the staff of the Department of Climate Change, Energy, the Environment and Water (DCCEEW) during the year. Administrative and operational assistance is provided by DCCEEW. The financial statements for the year ended 30 June 2025 have been authorised for issue by the Chair and a Director of the Corporation on the date the accompanying Statement by the Accountable Authority was signed.

### **(b) Basis of preparation**

The Corporation's financial statements are general purpose financial statements which have been prepared on an accrual basis in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations).
- the requirements of the *Government Sector Finance Act 2018* (GSF Act); and
- Treasurer's Directions issued under the GSF Act.

Judgements, key assumptions, and estimations management has made are disclosed in the relevant notes to the financial statements.

Financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency, which is the Corporation's presentation and functional currency.

### **(c) Statement of compliance**

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

## **1. Summary of material accounting policy information (continued)**

### **(d) Comparative information**

The Corporation was established on 24 June 2024 (refer note 1(a)). This is the first set of financial statements of the Corporation. There is no comparative information in respect of the previous period for all amounts reported in the financial statements, as there are no transactions reported during such period.

### **(e) Changes in accounting policies, including new or revised Australian Accounting Standards**

#### **(i) Effective for the first time in financial year 2024-2025**

No new accounting standards or interpretations that applied to the Corporation for the first time in 2024-25 had a material impact on the recognition and measurement of financial statement transactions and balances.

#### **(ii) Issued but not yet effective**

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards unless the Treasury determines otherwise. The Corporation has assessed the impact of the new standards and interpretations issued but not yet effective and considers the impact to be immaterial in future years.

### **(f) Impact of climate-related matters on financial reporting for 2024-25**

The Corporation has assessed and determined that there are no material impacts of potential climate related matters on the financial statements.

### **(g) Going concern**

The financial statements have been prepared on a going concern basis. The Corporation can access the \$1Bn seed funding to pay operating costs and will also generate returns from future investments. At the date of this report there is no reason to expect that the funding support will not continue.



## Energy Security Corporation

### Notes to and forming part of the financial statements for the year ended 30 June 2025

## 2. Expenses excluding losses

### Operating expenses

|  | 2025<br>\$'000 |
|--|----------------|
| Personnel expenses - DCCEEW                                | 888            |
| Project team costs   | 711            |
| Fee for services   | 329            |
| Professional services                                      | 306            |
| Auditor's remuneration - audit of the financial statements | 31             |
| Consultants  | 48             |
| Recruitment costs  | 397            |
| Shared service charges                                     | 551            |
| Brand and marketing  | 253            |
| Contingent labour  | 270            |
| Legal costs  | 8              |
| Miscellaneous expenses                                     | 22             |
|  | <b>3,814</b>   |

### Recognition and measurement

The Corporation does not currently employ staff and receives corporate support and operational services from the staff of DCCEEW. Personnel services are recognised monthly, and the Corporation will reimburse DCCEEW for all personnel expenses it incurs.

## 3. Revenue

### a) Grants and contributions

|  | 2025<br>\$'000 |
|--|----------------|
| Grants without sufficiently specific performance obligations | 5,546          |
|  | <b>5,546</b>   |

### Recognition and measurement

Revenue from grants without sufficiently specific performance obligations is recognised when the Corporation obtains control over the granted assets (e.g., cash). This revenue is recognised in accordance with the requirements of AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058).

### b) Deemed appropriations

Section 4.7 of the GSF Act defines deemed appropriation money as government money that the Corporation (a GSF agency) receives or recovers (including from the Commonwealth or another entity) of a kind prescribed by the regulations that:

- forms part of the Consolidated Fund; and
- is not appropriated under the authority of an Act.

Under Section 38 and 45 of the Act, all moneys received by the Corporation and all funds paid out by the Corporation to meet expenses incurred in connection with the functions of the GSF Act flow through its special deposits accounts called the Energy Securities Corporation Fund and the Energy Security Corporation Operational Fund.

The Corporation therefore does not have any deemed appropriations.

#### **4. Current assets – cash and cash equivalents**

|              | <b>2025</b>   |
|--------------|---------------|
|              | <b>\$'000</b> |
| Cash at bank | 5,546         |
|              | <b>5,546</b>  |

Cash and cash equivalent assets recognised in the Statement of financial position are reconciled at the end of the financial period to the Statement of cash flows as follows:

|   |              |
|---|--------------|
| Cash and cash equivalents (per Statement of financial position) | 5,546        |
| Closing cash and cash equivalents (per Statement of cash flows) | <b>5,546</b> |

Refer note 9 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

#### **5. Current liabilities – payables**

|                  | <b>2025</b>   |
|------------------|---------------|
|                  | <b>\$'000</b> |
| Payable - DCCEEW | 3,598         |
| Accruals         | 238           |
|                  | <b>3,836</b>  |

Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in Note 9.

##### **Recognition and measurement**

Payables represent liabilities for goods and services provided to the Corporation. They are short-term payables with no stated interest rate and are measured at the original invoice amount where the effect of discounting is immaterial.

#### **6. Commitments**

There are no capital expenditure commitments as at 30 June 2025.

#### **7. Contingent liabilities and contingent assets**

The Corporation has no known contingent liabilities or contingent assets as at 30 June 2025.

#### **8. Reconciliation of cash flows from operating activities to net result**

|   | <b>2025</b>   |
|---|---------------|
|   | <b>\$'000</b> |
| <b>Net cash from operating activities</b> | <b>5,546</b>  |
| Increase / (decrease) in receivables      | 22            |
| (Increase) / decrease in payables         | (3,836)       |
| <b>Net result</b>                         | <b>1,732</b>  |

## 9. Financial instruments

The Corporation's principal financial instruments are outlined below. These financial instruments arise directly from the Corporation's operations. The Corporation does not enter or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Corporation's main risks arising from financial instruments are outlined below, together with the Corporation's objectives, policies, and processes for measuring and managing risks. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Board of the Corporation is the Accountable Authority, but the Chief Executive Officer has the overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Corporation, to set risk limits and controls and to monitor risks. Currently the Corporation complies with the policies established by DCCEEW which are reviewed by the Corporation on a continuous basis.

### (a) Financial instrument categories

| <b>Class:</b>                | <b>Note</b> | <b>Category</b> | <b>2025<br/>\$'000</b> |
|------------------------------|-------------|-----------------|------------------------|
| <b>Financial assets</b>      |             |                 |                        |
| Cash and cash equivalents    | 4           | Amortised cost  | 5,546                  |
| <b>Financial liabilities</b> |             |                 |                        |
| Payables <sup>1</sup>        | 5           | Amortised cost  | 3,836                  |

1. Excludes GST payables and unearned revenue (i.e. not within scope of AASB 7).

The Corporation determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

### (b) Derecognition of financial assets and financial liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the Corporation transfers 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:

- the Corporation has transferred substantially all the risks and rewards of the asset; or
- the Corporation has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control.

When the Corporation has transferred its rights to receive cash flows from an asset or has entered a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When the Corporation has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of the Corporation's continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

### (c) Offsetting financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

**9. Financial instruments (continued)**
**(d) Financial risks**
**(i) Credit risk**

Credit risk arises when there is the possibility of the Corporation's debtors defaulting on their contractual obligations, resulting in a financial loss to the Corporation. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk may arise from the financial assets of the Corporation, such as cash. Credit risk associated with the Corporation's financial assets is managed by holding cash within the NSW Treasury Banking system and hence exposure to credit is very small. No collateral is held by the Corporation. The Corporation has not granted any financial guarantees.

**(ii) Liquidity risk**

Liquidity risk is the risk that the Corporation will be unable to meet its payment obligations when they fall due. The Corporation monitors future cash flows and ensures adequate funding is held on hand to meet future obligations. As the Corporation has recently commenced operations, DCCEEW has supported the Corporation to ensure that the liabilities are paid on time.

The liabilities of the Corporation are recognised for amounts due to be paid in the future for goods or services received, whether invoiced or not. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11-12. For small business suppliers, where terms are not specified, payment is made not later than 5 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

The table below summarises the maturity profile of the Corporation's financial liabilities, together with the interest rate exposure.

**Maturity analysis and interest rate exposure of financial liabilities**

|                 | Interest Rate Exposure                        |                   |                           |                              |                             | Maturity Dates |         |         |
|-----------------|---|-------------------|---------------------------|------------------------------|-----------------------------|----------------|---------|---------|
|                 | Weighted<br>Average<br>Effective<br>Int. Rate | Nominal<br>Amount | Fixed<br>Interest<br>Rate | Variable<br>Interest<br>Rate | Non-<br>interest<br>bearing | < 1 yr         | 1-5 yrs | > 5 yrs |
|                 | %   | \$'000            | \$'000                    | \$'000                       | \$'000                      | \$'000         | \$'000  | \$'000  |
| <b>2025</b>     |   |                   |                           |                              |                             |                |         |         |
| <i>Payables</i> | -   | 3,836             | -                         | -                            | 3,836                       | 3,836          | -       | -       |

The amounts disclosed here exclude statutory payables and unearned revenue (not within scope of AASB 7).

**(iii) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Corporation's exposure to market risk is very limited as it has no borrowings, and all its deposits are at call.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation has no exposure to interest rate risk as it does not earn interest on its bank balances.

**9. Financial instruments (continued)****(e) Fair value measurement****(i) Fair value compared to carrying amount**

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 or in the absence of a principal market, in the most advantageous market for the asset or liability.

**(ii) Fair value recognised in the statement of a financial position**

Financial instruments are generally recognised at cost. The amortised cost of financial instruments recognised in the statement of financial position approximates the fair value because of the short-term nature of the financial instruments.

**10. Related party disclosure**

For the period from 4 December 2024 to 30 June 2025, the key management personnel for the Corporation comprises the Chief Executive Officer. Compensation paid for the period was \$202,490. The Board of Directors were appointed on 26 June 2025, and Board fees for the period to 30 June 2025 were immaterial.

During the year, the Corporation entered into transactions with other entities that were controlled, jointly controlled or significantly influenced by NSW Government. These transactions (incurred in the normal course of business), in aggregate, are a significant portion of the Corporation's revenue and expenses, and the nature of these material transactions are detailed below:

| Entity  | Nature of Transaction  |
|---|--|
| Department of Climate Change, Energy, the Environment and Water | Provision of staff, administrative support and operational assistance and grant funding. |

**11. Events after reporting period**

During July 2025 \$1Billion of seed funding was the subject of an in-specie transfer to the ESC Fund. The ESC Fund is one of two Special Deposit Accounts (SDA) established under the ESC Act and is jointly managed by the Minister for Energy and the Treasurer. ESC will recognise funding when it is progressively paid to the ESC Operational Fund, (the other SDA), at the request of the Board. The Operational Fund is managed by the Board.

**End of audited financial statements.**



## INDEPENDENT AUDITOR'S REPORT

### Energy Security Corporation

To Members of the New South Wales Parliament

#### Opinion

I have audited the accompanying financial statements of the Energy Security Corporation (the Corporation), which comprise the Statement by the Accountable Authority, the Statement of Comprehensive Income for the year ended 30 June 2025, the Statement of Financial Position as at 30 June 2025, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, and notes to the financial statements, including a Summary of Material Accounting Policy Information, and other explanatory information.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2024* (GSF Regulation) and the Treasurer's Directions
- presents fairly the Corporation's financial position, financial performance and cash flows.

My opinion should be read in conjunction with the rest of this report.

#### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Corporation in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

I have fulfilled my other ethical responsibilities in accordance with APES 110.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### Other Information

The Corporation's annual information statement for the year ended 30 June 2025 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Board of the Corporation is responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the annual information statement.



My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

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 there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

## **The Board's Responsibilities for the Financial Statements**

The Board is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulation and Treasurer's Directions. The Board's responsibility also includes such internal control as the Board determines is necessary to enable the preparation and fair presentation of the 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 Corporation's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Corporation carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Hugh Wilson  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

29 October 2025  
SYDNEY

Energy Security Corporation office

Parkline Place  
Level 27, 252 Pitt Street  
Sydney, New South Wales  
Gadigal Country

[enquiries@escorp.com.au](mailto:enquiries@escorp.com.au)  
[escorp.com.au](http://escorp.com.au)