



# Coal Innovation NSW Fund annual report 2024–25

**Published by the Department of Primary Industries and Regional Development**

Title: Coal Innovation NSW Fund annual report 2024–25

First published: December 2025

ISSN: 2981-8389 (online)

Department reference number: D25/144760

Cover image: Stage 2 drilling activities as part of the NSW CO<sub>2</sub> Storage Assessment Program.

**Amendment schedule**

| Date          | Version | Amendment       |
|---------------|---------|-----------------|
| December 2025 | 1       | First published |

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# Reducing coal emissions for the future

## Coal Innovation NSW Fund

The Coal Innovation NSW Fund (the Fund) made key contributions to the research, development and demonstration (RD&D) of emissions-reducing technologies in the 2024–25 financial year. Through the Fund, the NSW Government drives progress to reduce emissions by supporting innovative and world-class emission reduction technologies.

The key focus for the Fund for this financial year was:

- **NSW CO<sub>2</sub> Storage Assessment Program (the Program):** ongoing analysis and evaluation of the 3 exploration wells in western NSW. The Program aims to identify a viable greenhouse capture storage site in NSW and support the NSW Government to achieve the goal of net zero by 2050.
- **Ventilation Air Methane (VAM) Abatement Demonstration Project (the VAM Project):** The Fund has continued to sponsor Australian research institutions and industry to build knowledge to improve the commercial application of low emissions technologies. The VAM Project led by GM<sup>3</sup> has progressed with the feasibility stage.

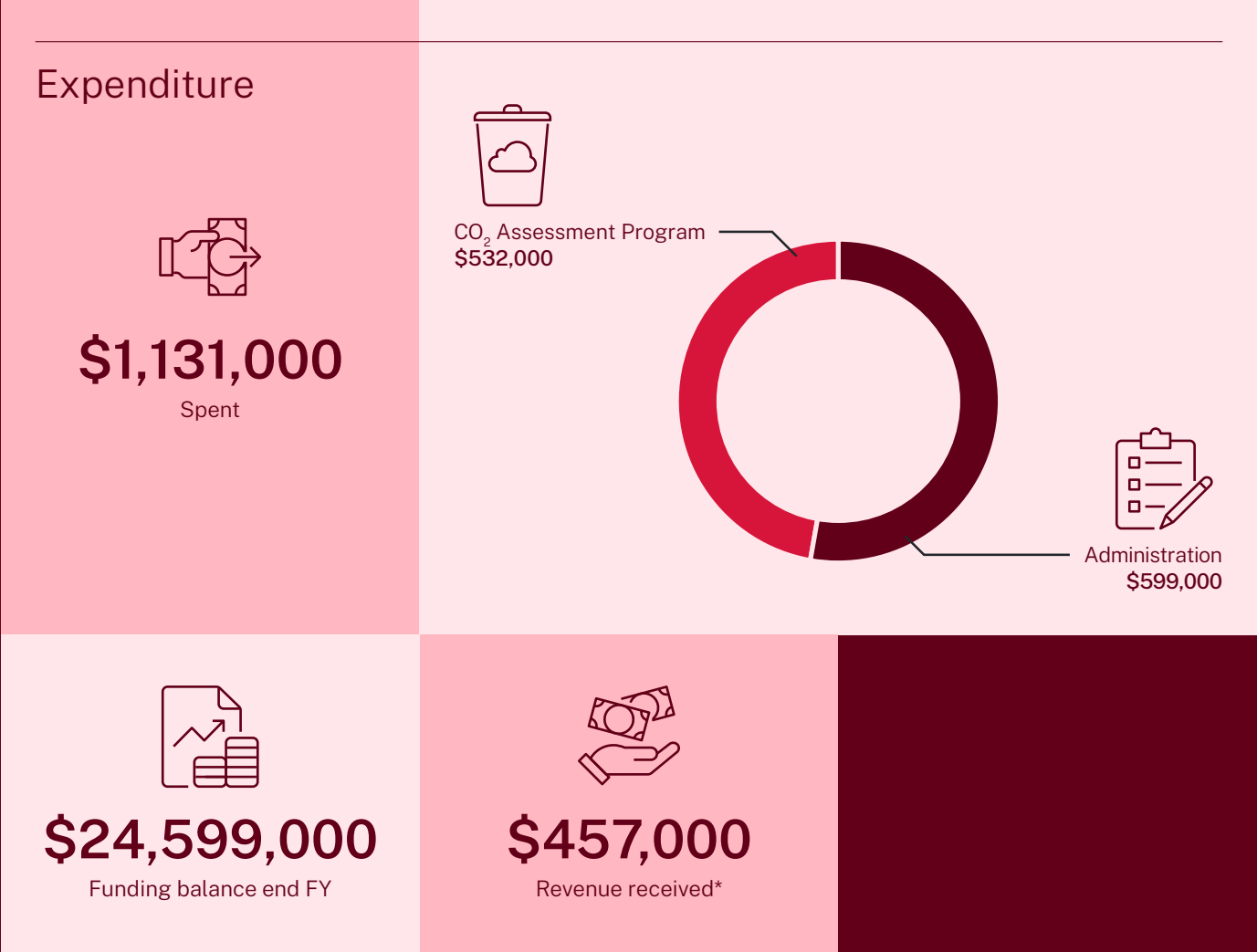
## Independent advice supports the Fund

The Fund is overseen by the Minister for Natural Resources. Coal Innovation NSW (CINSW) provided independent expert advice to the Minister on expenditure from the Fund. Membership of CINSW comprises independent representatives from industry and the NSW Government.

CINSW met twice during 2024–25 and provided advice on:

- funding projects that encourage the development of low emissions coal technologies
- policy to encourage the development and implementation of low emissions coal technologies
- opportunities for private and public sector organisations concerning interstate, national and international research projects involving low emissions coal technologies
- other matters concerning low emissions coal technologies.

# Financial year 2024–25 snapshot



\*Primarily from grants and contributions

# World-leading research to reduce emissions

RD&D of new low emissions technologies is key to reducing emissions. Investment from the Fund has focused on reducing emissions from coal mining and the use of coal in industries such as electricity generation, steel manufacturing and cement making.

Significant work for Stage 2 of the NSW CO<sub>2</sub> Storage Assessment Program was undertaken including finalising modelling and formation evaluation.

The VAM Abatement Demonstration Project is central to the Australian coal mining industry's objective to reduce fugitive emissions from underground coal mining. CINSW has invested to design and construct a full-scale next generation VAM mitigation thermal reactor with improved safety and commercial viability at the Appin coal mine in southern NSW. Project success at full commercial scale would encourage broader industry uptake of this technology and drive emissions reduction from the sector, in line with their obligations under the Safeguard Mechanism and to contribute to NSW's legislated emission reduction targets. This project progressed with feasibility studies this financial year.



# Research, development and demonstration

## NSW CO<sub>2</sub> Storage Assessment Program

Led by NSW Resources

### Purpose

To quantify the carbon storage potential of regional NSW.

### Description

The Program is focused on identifying large, safe carbon geosequestration sites in NSW.

Stage 1 of the NSW CO<sub>2</sub> Storage Assessment Program was co-funded by the Commonwealth Government and Low Emission Technology Australia (LETA). This initial phase yielded promising results, identifying several porous sandstone reservoirs in the Darling Basin.

Stage 2 of the program included seismic surveys and an exploration drilling campaign comprising 3 wells in the Darling Basin – 2 wells in the Pondie Range Trough and one well in the Yathong–Ivanhoe Trough. Assessments from the data acquired during drilling and from drillcores have been completed. Based on these assessments, Pondie Range Trough storage capacity is 154 to 254 million tonnes (Mt) of CO<sub>2</sub>. This assessment is the most reliable storage capacity estimate to date as it is based on the most comprehensive dataset available. While the collected data and samples offer some confidence that these sandstones could be suitable for CO<sub>2</sub> storage, a flow test is necessary to accurately estimate the capacity and effectiveness of these reservoirs.

### Evaluation

In the 2024–25, the Program completed the initial Stage 2 data analysis and modelling.

The newly acquired data from the seismic survey, drilling operations, well logs and drillcore samples underpinned a comprehensive suite of data analysis and modelling studies undertaken by consultancy firm Seal Energy. These studies have increased understanding of the geological storage potential and geothermal potential of the regions explored in the drilling campaign.

The Pondie Range Trough is estimated to store 234 Mt of CO<sub>2</sub> over 50 years (154–254 Mt). Two packages of reservoir sands have been identified as key zones of interest for geosequestration, with excellent seal integrity and lateral extent. Specialised studies including geomechanical and geochemical analyses have further demonstrated that this trough is favourable for geosequestration.

The Pondie Range Trough is considered relatively low risk from a subsurface perspective, with excellent and laterally extensive thick seals, fair reservoir quality, and wide areas for safe saline aquifer storage of injected CO<sub>2</sub>.

The Yathong–Ivanhoe Trough well (Hampton-1) reached a pre-drill target depth of 2,000 m, but did not encounter the target Ravendale Formation. Limited sandstones were identified in Unit C, with heightened uncertainty regarding seal effectiveness and lateral continuity.

The next stage of the program involving flow testing of the wells is expected to occur in the next financial year. The flow tests will provide essential information on how the underground reservoirs will behave when CO<sub>2</sub> is injected and stored, and is crucial for validating these carbon storage resources.



# Ventilation Air Methane Abatement Demonstration Project

Led by Illawarra Coal Holdings

## Purpose

To reduce fugitive methane emissions from underground coal mining.

## Description

This project involves Illawarra Coal Holdings designing and constructing a full-scale ventilation air methane (VAM) abatement plant with improved safety and commercial viability. Long-term testing of the technology and safety system will be conducted, with results summarised and presented to the NSW Government and mining industry.

Project success at full commercial scale would encourage broader industry uptake of this technology and drive emissions reduction from the sector.

VAM thermal reactor technology works by oxidising almost all the methane (>95%) in a combustion chamber heated to approximately 1,000°C. At this temperature methane is converted to water and CO<sub>2</sub>, which has a significantly lower global warming potential than methane. A key feature of the technology is its ability to be self-sustaining as it does not need additional energy to maintain the temperature in the combustion chamber.

The project is co-funded by GM<sup>3</sup> and the NSW Government.

## Evaluation

The project is comprised of 4 key milestones including pre-feasibility study, feasibility study, execution, and operation. Since the completion of the pre-feasibility milestone in 2022–23 the grantee has been concentrating effort on feasibility studies.

Progress this financial year has been made in aspects of engineering and design, cost projections and procurement. The grantee also progressed a variation to the funding deed to reflect changes to the type of VAM abatement reactor to be demonstrated, the location of the demonstration site, and project timeline. The implications of these changes to the project's intent and goals are non-material, with revised contract terms agreed to that effectively cover these variations.

The grantee is seeking a modification to existing project approvals to develop the demonstration project at the Appin coal mine. The modification includes constructing the VAM abatement plant adjacent to an existing ventilation system with ancillary infrastructure and site preparation.

Community consultation also occurred during the year based on the project community consultation plan. Project updates were provided to a local stakeholder committee and to council. Broader engagement tools are also under development such as a project flyer and a dedicated webpage aimed at keeping stakeholders informed as the project develops.

# CINSW Secretariat

## Purpose

To ensure the quality and efficient administration of the CINSW Fund.

To support CINSW in providing its advice and recommendations to the Minister.

## Description

The CINSW Secretariat from the Department of Primary Industries and Regional Development (DPIRD), NSW Resources group undertakes several functions in relation to the CINSW Fund and CINSW. The Secretariat manages the allocation and technical oversight of funded projects and carries out research and development projects on behalf of CINSW, including the NSW CO<sub>2</sub> Storage Assessment Program.

## Evaluation

In 2024–25, the CINSW Secretariat:

- continued to manage current CINSW Fund projects through various administrative and governance tasks, including working with researchers towards project completion and final research reports
- developed plans, budgets and funding options for the Fund's future programs
- maintained dialogue with industry, state and commonwealth governments on low emissions coal technologies to support achieving the NSW Government emissions reduction targets
- provided advice to the Minister on proposed allocation from the CINSW Fund and CINSW advice
- organised and prepared papers as required for 2 CINSW meetings (Meetings 44 and 45)
- provided expert and technical advice to CINSW as required
- continued to deliver Stage 2 of the NSW CO<sub>2</sub> Storage Assessment Program, successfully completing modelling of the 3 well sites
- oversaw the continuation of the VAM Abatement Demonstration Project, led by GM<sup>3</sup>, to demonstrate cutting-edge technology to reduce fugitive emissions from coal mining.

# Governance

## Coal Innovation NSW Fund

The Coal Innovation NSW Fund is created and allocated in accordance with the *Coal Innovation Administration Act 2008* (the Act).

The purpose of the Fund is to provide funding for:

- research into, and development of, low emissions coal technologies
- low emissions coal technology demonstration projects
- increasing public awareness and acceptance of the importance of reducing greenhouse gas emissions through the use of low emissions coal technologies
- commercialisation of low emissions coal technologies.

## Coal Innovation NSW

The Act creates Coal Innovation NSW, an advisory council that is independently chaired and provides advice and recommendations to the Minister.

The functions of CINSW include:

- making recommendations to the Minister responsible for the administration of the Act
- advising the Minister and making funding recommendations on projects and other activities for the purposes of the Fund, including advice about funding priorities
- advising the Minister on policies to encourage the development and implementation of low emissions coal technologies
- making recommendations to the Minister concerning opportunities for involvement by private and public sector entities in interstate, national and international research projects involving low emissions coal technologies
- advising the Minister on other matters concerning low emissions coal technologies that the Minister may refer to CINSW.

Membership of CINSW is prescribed by the Act which sets out the membership, including:

- an independent chairperson
- 2 members from government
- 2 representatives of the NSW black coal industry
- up to 4 independent members with relevant qualifications or experience.

# Coal Innovation NSW

## Members

### Independent Chairperson

**Professor Michael Dureau AM**

Warren Centre for Advanced Engineering, University of Sydney

### Government members

**Ms Georgina Beattie**

Deputy Secretary, NSW Resources, Department of Primary Industries and Regional Development

**Ms Kim Curtain**

Deputy Secretary, NSW Department of Climate Change, Energy, the Environment and Water

Note: appointment commenced on 30 June 2025.

### NSW black coal industry representative members

**Mr Mark Jacobs**

Executive General Manager, EGM Environmental and External Affairs, Yancoal Australia Ltd

**Mr Andrew Roxburgh**

Director Projects and Technical Support, Glencore Coal Assets Australia

**Mr David Frith**

Director Policy, NSW Minerals Council

### Other members

**Professor Dianne Wiley**

Dean of Engineering, University of Newcastle

### Outgoing members

**Dr Noel Simento**

Managing Director, Australian National Low Emissions Coal R&D

Note: Dr Simento stepped down in December 2024 as a member of CINSW after 9 years of membership on the board.

# Meetings

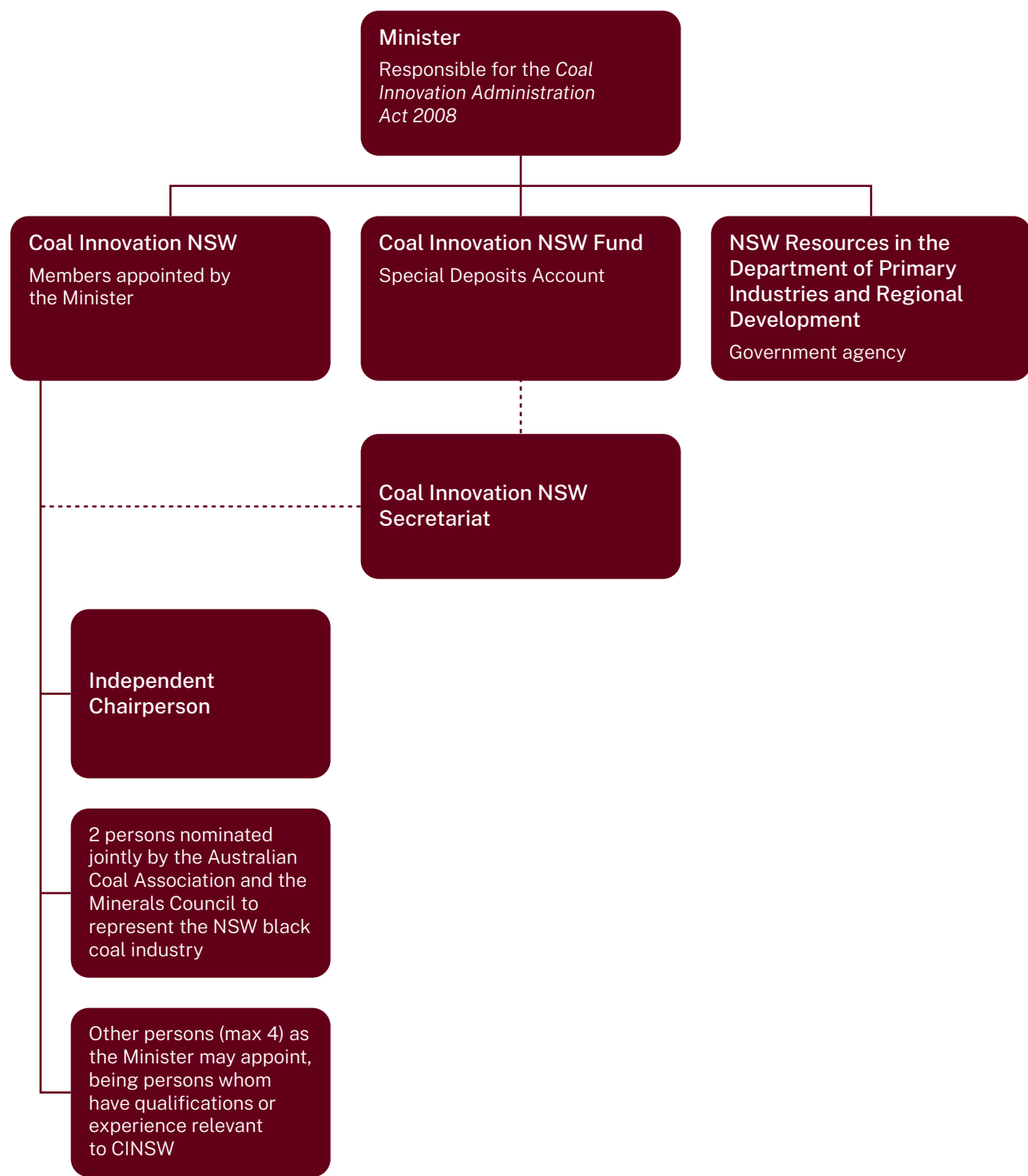
There were 2 CINSW meetings held in 2024–25.

## Meeting attendance

| Meeting 44 – 24 Sep 2024                                                                    |
|---------------------------------------------------------------------------------------------|
| <b>Members</b>                                                                              |
| Professor Michael Dureau AM, Chairperson                                                    |
| Dr Noel Simento – independent                                                               |
| Professor Dianne Wiley – independent                                                        |
| Mr Mark Jacobs – coal industry                                                              |
| Mr Andrew Roxburgh – coal industry                                                          |
| Ms Georgina Beattie – NSW Government                                                        |
| Ms Kim Curtain – delegate NSW Government                                                    |
| <b>Observers</b>                                                                            |
| Mr David Frith, Policy Director, NSW Minerals Council                                       |
| Angela Hudson, A/Executive Director, Business Operations and Programs, NSW Resources, DPIRD |
| Kevin Ruming, Director Assessment & Advice, NSW Resources, DPIRD                            |
| <b>Secretariat</b>                                                                          |
| Ms Elspeth Pottie, Manager Policy, NSW Resources, DPIRD                                     |
| Mr Harris Khan, Senior Geoscientist, NSW Resources, DPIRD                                   |

| Meeting 45 – 9 Dec 2024                                           |
|-------------------------------------------------------------------|
| <b>Members</b>                                                    |
| Professor Michael Dureau AM, Chairperson                          |
| Dr Noel Simento – independent                                     |
| Professor Dianne Wiley – independent                              |
| Mr Mark Jacobs – coal industry                                    |
| Mr David Frith – coal industry                                    |
| Ms Georgina Beattie – NSW Government                              |
| Ms Kim Curtain – delegate NSW Government                          |
| <b>Observers</b>                                                  |
| Marwan El-Chamy, Executive Director, NSW Resources, DPIRD         |
| Erin Holmes, A/Director Assessment & Advice, NSW Resources, DPIRD |
| <b>Secretariat</b>                                                |
| Ms Elspeth Pottie, Manager Policy, NSW Resources, DPIRD           |
| Dr James Knight, Senior Project Officer, NSW Resources, DPIRD     |
| Mr Harris Khan, Senior Geoscientist, NSW Resources, DPIRD         |
| <b>Apologies</b>                                                  |
| Mr Andrew Roxburgh – coal industry                                |

# Governance structure



# Risk management

CINSW operates under a governance framework to manage risks associated with the use and administration of the Fund. All activities of CINSW are carried out under the *Coal Innovation Administration Act 2008* which clearly sets out the functions of CINSW and its powers.

The 2 key documents of the governance framework are the Code of Conduct for Members of CINSW and the CINSW Grants Administration Policy. Risk is further managed on a program and project basis through hazard identification and risk registers.

The Code of Conduct sets out specific requirements for personal and professional behaviour, communications, handling of government and sensitive information, fraudulent and corrupt behaviour, conflicts of interest, gifts, use of public resources and record keeping. All members of CINSW are required to agree to abide by the Code of Conduct.

CINSW members are also required to familiarise themselves with their responsibilities under the:

- *Government Sector Employment Act 2013*
- *Independent Commission Against Corruption Act 1988*
- *Public Interest Disclosures Act 1994*
- NSW Government Boards and Committees Guidelines (2013).

The Grants Administration Policy provides a framework for the administration of CINSW grants and outlines the systems and processes used when administering grants. The policy includes a number of key principles that apply to the entire life cycle of a grants program and cover:

- robust planning and design
- collaboration and partnership
- proportionality
- outcome orientation
- achieving value with public money
- governance and accountability
- probity and transparency.

The policy also sets out the roles and responsibilities of the Minister, CINSW, technical working groups and NSW Resources in the administration of the Fund. A key control of the policy is that the Minister is required to approve all grant expenditures.

Each grant program also has specific guidelines developed. 'Program Administrative Guidelines' provide specific details of eligibility requirements and the selection criteria and framework for assessing applications. Risk assessment and control implementation is conducted in relation to each round of grants and is consistent with the department's Risk Management Framework.

# Financial information for 2024–25

## Income

### Interest

Interest earnings of \$0.

### Grants, contributions and other revenue

Grants, contributions totalled \$446,000. Other revenue received totalled \$11,000.

Other contributions and revenue included a payment from Geoscience Australia to undertake mass spectroscopy at one of the exploration wells, unwinding of foreign currency hedges, and the sale of leftover equipment following the completion of drilling.

### Summary

| Description              | Value (\$) excl GST |
|--------------------------|---------------------|
| Interest                 | 0                   |
| Grants and contributions | 446,000             |
| Other revenue            | 11,000              |
| Total income             | 457,000             |

## Expenditure

Total expenditure from the Fund was \$1,131,000. Note that the CINSW Fund operates on an accrual accounting system and thus only includes expenses incurred in 2024–25.

### NSW CO<sub>2</sub> Storage Assessment Program

Expenditure focused on modelling of data from the 3 exploration wells in western NSW.

### VAM Abatement Demonstration Project

No payments have been made for this project during this financial year.

### CINSW expenses

Remuneration of the CINSW Chairperson.

### Fund and CINSW administration

Expenditure incurred to administer the Fund and support CINSW. This includes the CINSW Secretariat (salaries, costs, travel, staff development), legal fees, telecommunications, office supplies and contracts supporting the administration of the Fund.



## Audit fees

Independent annual financial audit and governance audit.

## Summary

| Description                                    | Value (\$) excl GST |
|------------------------------------------------|---------------------|
| NSW CO <sub>2</sub> Storage Assessment Program | 532,000             |
| VAM Abatement Demonstration Project            | 0                   |
| CINSW expenses                                 | 15,000              |
| Fund and CINSW administration                  | 552,000             |
| Audit fees                                     | 32,000              |
| <b>Total</b>                                   | <b>1,131,000</b>    |

## Totals

| Extract from the CINSW financial statement                      | Value (\$) excl GST |
|-----------------------------------------------------------------|---------------------|
| Opening balance as of 1 July 2024 (credit)                      | 25,048,000          |
| Interest and other revenue                                      | 457,000             |
| <b>Total</b>                                                    | <b>25,505,000</b>   |
| Less expenditure                                                | 1,131,000           |
| <b>Increase in receivables (DPIRD)</b>                          | <b>830,000</b>      |
| <b>Increase in creditors (Treasury)</b>                         | <b>(1,065,000)</b>  |
| <b>Total cash and cash equivalents on 30 June 2025 (credit)</b> | <b>24,599,000</b>   |

# Financial reports

## **Coal Innovation NSW Fund Statement by the Deputy Secretary** for the year ended 30 June 2025

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I declare, on behalf of the Coal Innovation NSW Fund (the Fund) that in my opinion:

1. The accompanying financial report presents fairly the Coal Innovation NSW Fund's financial position, financial performance and cash flow for the year ended 30 June 2025: and
2. The financial report has been prepared in accordance with Treasurer's Directions TD23-24 SDA Account financial reports.

Further, I am not aware of any circumstances which would render any particulars included in the financial report to be misleading or inaccurate.



Georgina Beattie  
Responsible Manager  
Deputy Secretary, NSW Resources  
Department of Primary Industries and Regional Development

Date: 10 November 2025

**Coal Innovation NSW Fund**  
**Statement of income and expenditure**  
for the year ended 30 June 2025

|                                                    |              | <b>2025</b>   | <b>2024</b>     |
|----------------------------------------------------|--------------|---------------|-----------------|
|                                                    | <b>Notes</b> | <b>\$'000</b> | <b>\$'000</b>   |
| <b>Revenue</b>                                     |              |               |                 |
| Grants and Contributions                           | 1(c)         | 446           | -               |
| Interest revenue                                   | 1(c)         | -             | 1,406           |
| Other revenue                                      |              | 11            | 10              |
| <b>Total revenue</b>                               |              | <b>457</b>    | <b>1,416</b>    |
| <b>Expenses</b>                                    |              |               |                 |
| Auditor's remuneration - audit of financial report |              | 32            | 31              |
| Research and development grants                    | 1(d)         | 532           | 1,796           |
| Professional expenses                              |              | 41            | -               |
| Salaries and wages (including recreation leave)    |              | 446           | 464             |
| Superannuation                                     |              | 48            | 53              |
| Payroll tax and fringe benefits tax                |              | 25            | 30              |
| Other expenses – transfer to the Crown             |              | -             | 17,000          |
| Other operating expense                            |              | -             | 12              |
| Travel                                             |              | 7             | 16              |
| <b>Total expenses</b>                              |              | <b>1,131</b>  | <b>19,402</b>   |
| <b>Net result</b>                                  |              | <b>(674)</b>  | <b>(17,986)</b> |
| <b>Total Comprehensive Income</b>                  |              | <b>(674)</b>  | <b>(17,986)</b> |

The accompanying notes form part of the financial report.

# Coal Innovation NSW Fund

## Statement of net assets

as at 30 June 2025

|                                                                           | Notes | 2025<br>\$'000 | 2024<br>\$'000 |
|---------------------------------------------------------------------------|-------|----------------|----------------|
| <b>ASSETS</b>                                                             |       |                |                |
| <b>Current assets</b>                                                     |       |                |                |
| Cash and cash equivalents                                                 | 2     | 24,599         | 25,038         |
| Receivable from Department of Primary Industries and Regional Development | 1(f)  | 840            | 10             |
| <b>Total current assets</b>                                               |       | <b>25,439</b>  | <b>25,048</b>  |
| <b>Total non-current assets</b>                                           |       | <b>-</b>       | <b>-</b>       |
| <b>Total assets</b>                                                       |       | <b>25,439</b>  | <b>25,048</b>  |
| <b>LIABILITIES</b>                                                        |       |                |                |
| <b>Current liabilities</b>                                                |       |                |                |
| Payable to Treasury                                                       | 1(h)  | 1,065          | -              |
| <b>Total current liabilities</b>                                          |       | <b>1,065</b>   | <b>-</b>       |
| <b>Total non-current liabilities</b>                                      |       | <b>-</b>       | <b>-</b>       |
| <b>Total liabilities</b>                                                  |       | <b>1,065</b>   | <b>-</b>       |
| <b>Net assets</b>                                                         |       | <b>24,374</b>  | <b>25,048</b>  |

The accompanying notes form part of the financial report.

# Coal Innovation NSW Fund

## Statement of cash flows

as at 30 June 2025

|                                                                                                    | Notes | 2025<br>\$'000 | 2024<br>\$'000  |
|----------------------------------------------------------------------------------------------------|-------|----------------|-----------------|
| <b>Cash flows from operating activities</b>                                                        |       |                |                 |
| <b>Payments</b>                                                                                    |       |                |                 |
| Payments approved by the Minister for the purpose of the Fund                                      |       | (1,403)        | (4,178)         |
| Administrative expenses incurred in relation to the Fund or CINSW                                  |       | (547)          | (606)           |
| Return of ConFund per Treasury and Revenue Legislation Amendment Act 2023                          |       | -              | (17,000)        |
| <b>Total payments</b>                                                                              |       | <b>(1,950)</b> | <b>(21,784)</b> |
| <b>Receipts</b>                                                                                    |       |                |                 |
| Proceeds of the investment of money in the Fund                                                    |       | 1,065          | 1,406           |
| All money directed or authorised to be paid into the Fund by or under this or any other Act or Law |       | 446            | 10              |
| <b>Total receipts</b>                                                                              |       | <b>1,511</b>   | <b>1,416</b>    |
| <b>Net cash flows from operating activities</b>                                                    |       | <b>(439)</b>   | <b>(20,368)</b> |
| <b>Net Increase / (Decrease) in cash</b>                                                           |       | <b>(439)</b>   | <b>(20,368)</b> |
| Opening cash and cash equivalents                                                                  |       | 25,038         | 45,406          |
| <b>Closing cash and cash equivalents</b>                                                           | 2     | <b>24,599</b>  | <b>25,038</b>   |

The accompanying notes form part of the financial report.

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

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

The Coal Innovation NSW Fund (the Fund) is a not-for-profit fund, and the Fund does not have a cash generating unit.

The Fund has been established and is governed under the *Coal Innovation Administration Act 2008 (the Act)*. Part 2 Section 4 of the Act establishes the Fund as a special deposits account.

The financial report has been prepared on the basis that the Fund is not a reporting entity under the Australian Accounting Standards. The financial report for the Fund is therefore a special purpose financial report with the financial year being from 1 July 2024 to 30 June 2025.

This financial report for the year ended 30 June 2025 has been authorised for issue by the responsible manager, Deputy Secretary, NSW Resources, Department of Primary Industries and Regional Development (the Department), on the date the accompanying Statement by the Deputy Secretary of NSW Resources was signed.

### **Key activities**

Part 2 Section 5 of the Act establishes the purpose of the Fund as follows:

- a) to provide funding for research into, and development of low emissions coal technologies,
- b) to provide funding to demonstrate low emissions coal technologies,
- c) to provide funding to increase public awareness and acceptance of the importance of reducing greenhouse gas emissions through the use of low emissions coal technologies, and
- d) to provide funding for the commercialisation of low emissions coal technologies.

### **Funding sources for the Fund**

Part 2 Section 6 of the Act states that:

- 1) There is payable into the Fund:
  - a) all money advanced by the Treasurer to the Fund, and
  - b) all money appropriated by the Parliament for the purposes of the Fund, and
  - c) the proceeds of the investment of money in the Fund, and
  - d) all money directed or authorised to be paid into the Fund by or under this or any other Act or law, and
  - e) all money received for voluntary contributions to the Fund made by any person or body.
- 2) A voluntary contribution to the Fund may be made on the condition that the contribution is to be used only for a specified purpose.

### **Payments out of the Fund**

Part 2 Section 7 of the Act states that:

- 1) There is payable from the Fund:
  - a. payments approved by the Minister of Natural Resources for the purpose of the Fund, and
  - b. administrative expenses incurred in relation to the Fund or Coal Innovation NSW (CINSW), and
  - c. payments directed or authorised to be paid from the Fund by or under this or any other Act or law.
- 2) Any money paid into the Fund on the condition that it is to be used only for a specified purpose, including any proceeds of the investment of that money in the Fund, is only payable from the Fund for the specified purpose and a proportionate share of the administrative expenses payable from the Fund.

## **Statement of material accounting policy information (continued)**

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

This financial report is a special purpose financial report that has been prepared on an accruals basis and in accordance with:

- Applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations),
- Section 7.8 of the Government Sector Finance Act 2018 (GSF Act) and,
- Treasurer's Direction 23-24 SDA Account financial reports.

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

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

The accounting policies applied in 2024-25 are consistent with those of the previous financial year. The following new Australian Accounting Standards have been complied with as per TD 23-24 SDA Account financial reports.

- AASB 101 *Presentation of Financial Statements*
- AASB 107 *Statement of Cash Flows*
- AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*
- AASB 1048 *Interpretation of Standards*
- AASB 1053 *Application of Tiers of Australian Accounting Standards*
- AASB 1054 *Australian Additional Disclosures*
- AASB 1057 *Application of Australian Accounting Standards*

### **(c) Income recognition**

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of income are discussed below.

#### *Interest Revenue*

Interest income is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

### **(d) Research and development grants**

Research and development grants relate to payments to grantees for research projects aligned with the purpose of the Fund, these research and development activities engage contractors to conduct work for site preparation, drilling, engineering, project management research activities and peer review of research results. This activity is classified as being in the research phase for the project and no expenses have been capitalised. An asset will not be recognised until clear and quantifiable future benefit is established. However, there is acknowledgement that any grant is from the Fund and any future economic benefits (assets) arising out of it may belong to NSW Government and/or the research partner.

**Statement of material accounting policy information (continued)**

**(e) Receivables**

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as receivables. Receivables are measured at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount unless the effect of discounting is material.

**(f) Receivables from / (Payables) to Department of Primary Industries and Regional Development**

The Fund is not a separate legal entity and therefore operates under the Department. All purchase orders and invoices are in the name of the Department. All suppliers are therefore paid by the Department, and the Fund reimburses the Department for these costs. The receivables / (payable) at year end represents the amount the Department has received from the Fund / paid on behalf of the Fund.

**(g) Personnel services**

The Fund does not have any employees and received administrative, secretarial support and operational assistance from the Department during the year. The Fund had an arrangement with the Department to reimburse the Department for personnel services expenses and other costs incurred on behalf of the Fund.

**(h) Payable to Treasury**

Revenue from financial assets in the form of interest income is recognised from exempt bank accounts in accordance with *TPG24-15 Treasury Banking System Interest Payments*. The Fund is not exempt, it cannot retain interest income, which must instead be remitted to Treasury.

**2. Reconciliation of cash flows from operating**

|                                       | <b>2025</b>  | <b>2024</b>     |
|---------------------------------------|--------------|-----------------|
|                                       | <b>\$000</b> | <b>\$000</b>    |
| Net cash used on operating activities | (439)        | (20,368)        |
| Increase/(decrease) in receivables    | 830          | (37)            |
| (Increase)/decrease in creditors      | (1,065)      | 2,419           |
| <b>Net result</b>                     | <b>(674)</b> | <b>(17,986)</b> |

**3. Events after the reporting period**

There are no other known events that would impact on the state of the Fund or have a material impact on the financial report.

**End of audited financial report.**



# Independent audit report

CINSW spent \$32,000 on audit fees, which was split between an annual financial audit and governance audit.

## Annual financial audit

The *Public Finance and Audit Act 1983* mandates the Auditor-General audit the Coal Innovation NSW Fund as it is a Special Deposits Account. The independent auditor's report is included in Appendix 3 and contains the Auditor-General's opinion on the financial report.



# Appendix 1

## Summary of grant allocations from Fund

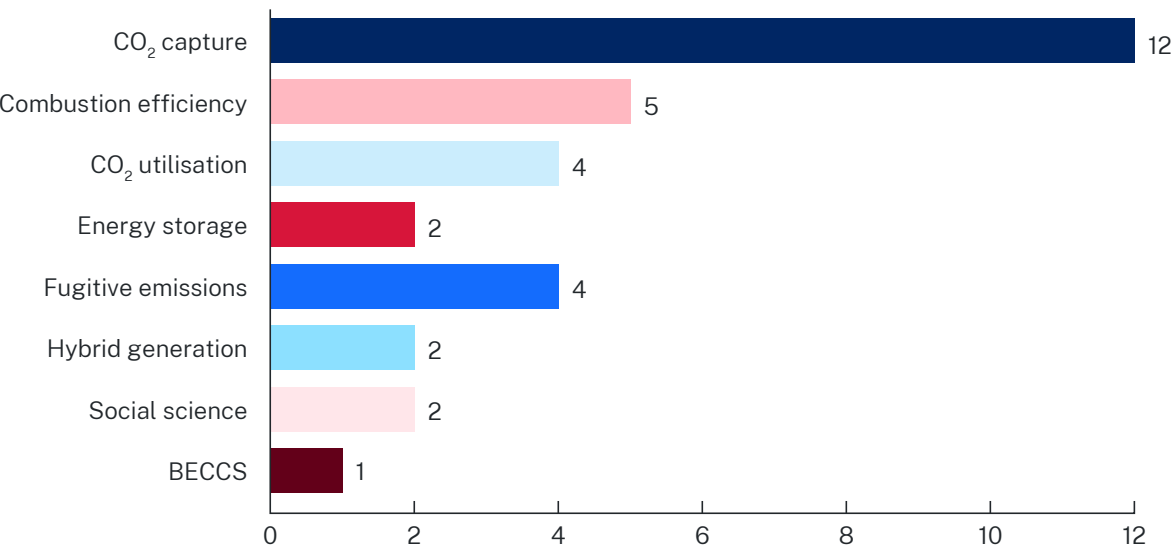
| Project title                                                                                                            | Organisation                                                | Funding committed (excl GST) | Funding paid (excl GST) | Status                              |
|--------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|------------------------------|-------------------------|-------------------------------------|
| Permanent large-scale CO <sub>2</sub> storage by mineral carbonation in NSW                                              | University of Newcastle –Mineral Carbonation International  | \$3,040,000                  | \$3,040,000             | Complete<br>Jun 2013 – Aug 2021     |
| Greenhouse gas abatement facility demonstration                                                                          | Centennial Mandalong Pty Ltd                                | \$2,200,000                  | \$2,196,526             | Discontinued<br>Mar 2011 – Apr 2019 |
| Advanced aqueous ammonia-based carbon capture technology                                                                 | CSIRO                                                       | \$2,000,000                  | \$2,000,000             | Complete<br>Jan 2017 – Feb 2020     |
| Development of a 1 kW modular direct carbon fuel cell demonstration plant                                                | University of Newcastle                                     | \$1,643,001                  | \$1,642,768             | Complete<br>Jun 2017 – Aug 2021     |
| Further development of an aqueous ammonia process for post-combustion capture of CO <sub>2</sub> in the NSW power sector | CSIRO                                                       | \$1,300,000                  | \$1,582,000             | Complete<br>Feb 2011 – Feb 2015     |
| Rotating liquid sheet contactor pilot scale testing project                                                              | CSIRO                                                       | \$1,274,045                  | \$1,274,045             | Complete<br>Jan 2017 – Apr 2019     |
| Membrane gas-solvent contactor demonstration project                                                                     | C02CRC                                                      | \$1,216,900                  | \$1,259,473             | Complete<br>Dec 2016 – Aug 2019     |
| Ventilation air methane catalytic mitigator                                                                              | CSIRO                                                       | \$1,496,424                  | \$1,496,424             | Complete<br>Jan 2019 – Nov 2023     |
| 300–200 MW ultra supercritical hybrid solar/coal R&D pathway study                                                       | Toshiba                                                     | \$946,500                    | \$946,500               | Complete<br>Jan 2019 – Apr 2021     |
| Third generation membrane material development                                                                           | University of New South Wales                               | \$862,803                    | \$862,803               | Complete<br>Jan 2017 – Apr 2019     |
| Water production from CO <sub>2</sub> capture                                                                            | CSIRO                                                       | \$1,347,874                  | \$1,347,874             | Complete<br>Jan 2019 – Aug 2023     |
| A novel chemical looping-based air separation technology for oxy-fuel combustion of coal                                 | University of Newcastle Priority Research Centre for Energy | \$886,618                    | \$851,296               | Complete<br>Dec 2010 – May 2014     |
| Aerosol formation pathways in liquid absorption-based CO <sub>2</sub> capture process                                    | CSIRO                                                       | \$687,252                    | \$687,252               | Complete<br>Jan 2017 – Feb 2021     |
| Managing clean coal technology project risk: the role of public awareness                                                | University of Newcastle                                     | \$618,930                    | \$655,795               | Complete<br>Dec 2010 – Jul 2013     |
| Site trials of novel CO <sub>2</sub> capture technology at Delta Electricity                                             | CSIRO                                                       | \$613,711                    | \$613,795               | Complete<br>Feb 2011 – Feb 2015     |



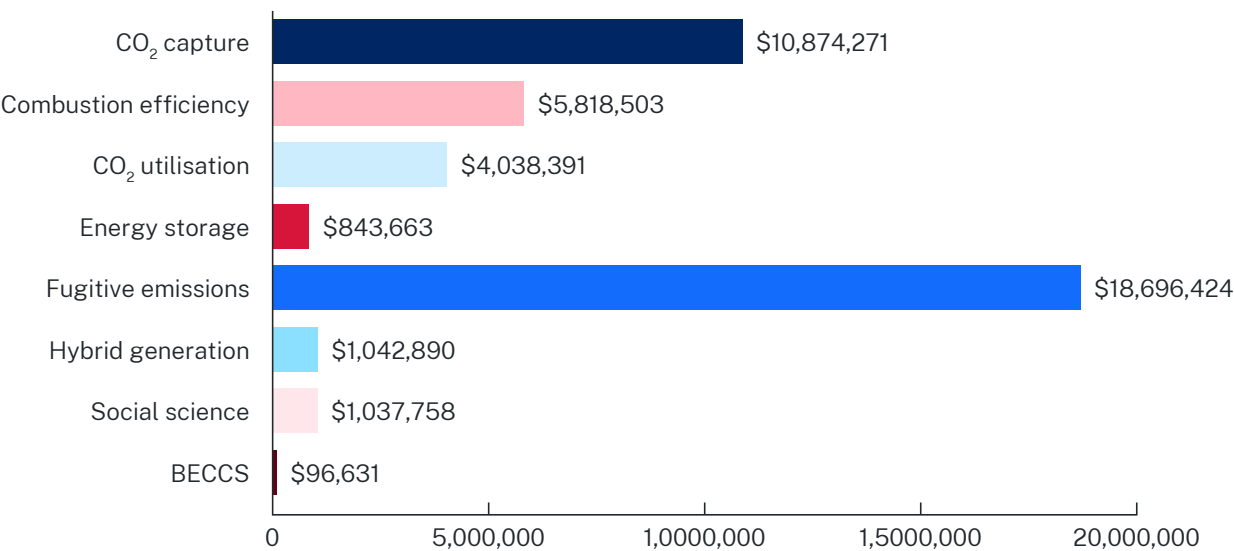
| Project title                                                                                                                                       | Organisation                                                      | Funding committed (excl GST) | Funding paid (excl GST) | Status                              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|------------------------------|-------------------------|-------------------------------------|
| Energy harvesting from a CO <sub>2</sub> capture process                                                                                            | CSIRO                                                             | \$578,991                    | \$578,991               | Complete<br>Jan 2017 – Feb 2019     |
| Development and optimisation of the direct carbon fuel cell                                                                                         | University of Newcastle                                           | \$608,719                    | \$564,738               | Complete<br>Dec 2010 – Aug 2016     |
| A novel platform for highly integrated solar heat in carbon capture technology                                                                      | CSIRO                                                             | \$505,145                    | \$505,145               | Complete<br>Jan 2019 – Sep 2021     |
| Low emission coal in the manufacture of carbon fibres                                                                                               | University of Newcastle                                           | \$753,468                    | \$717,535               | Complete<br>Jan 2019 – Mar 2022     |
| Battery storage system at Vales Point Power Station                                                                                                 | Sunset Power International Pty Ltd (trading as Delta Electricity) | \$460,000                    | \$460,000               | Complete<br>Jan 2019 – Jul 2020     |
| Combining redox energy storage with coal-fired power generation                                                                                     | University of Newcastle                                           | \$383,663                    | \$383,933               | Complete<br>Jan 2017 – Feb 2019     |
| Reduction in GHG emissions in steel production                                                                                                      | CO <sub>2</sub> CRC                                               | \$387,550                    | \$379,326               | Complete<br>Jan 2019 – Sep 2020     |
| Low emissions advocacy coalitions                                                                                                                   | University of Melbourne                                           | \$418,828                    | \$411,215               | Complete<br>Sep 2019 – Nov 2022     |
| Harvesting energy with CO <sub>2</sub> utilisation –a feasibility study                                                                             | CSIRO                                                             | \$154,923                    | \$154,923               | Complete<br>Jan 2019 – Dec 2020     |
| Retrofitting calcium carbonate looping to an existing cement plant for CO <sub>2</sub> capture: a techno-economic feasibility study                 | CSIRO                                                             | \$100,000                    | \$100,000               | Complete<br>Jan 2019 – May 2020     |
| An in-depth assessment of geothermal power generation for NSW coal-fired power plants                                                               | University of Newcastle                                           | \$99,165                     | \$99,165                | Complete<br>Jan 2019 – Dec 2019     |
| Feasibility assessment of bioenergy carbon capture and storage (BECCS) deployment with municipal solid waste co-combustion at NSW coal power plants | University of Sydney                                              | \$96,630                     | \$96,631                | Complete<br>Jan 2019 – Jul 2020     |
| Optimal design of solar photovoltaic and concentrated solar power system for coal-fired power plants in NSW                                         | University Technology Sydney                                      | \$96,390                     | \$96,390                | Complete<br>Jan 2019 – Jun 2020     |
| Deployment of silica gels for improved CO <sub>2</sub> containment and risk mitigation                                                              | University of New South Wales                                     | \$90,000                     | \$71,756                | Complete<br>Jan 2019 – May 2021     |
| Enhanced fugitive emissions drainage from open cut coal mines                                                                                       | CSIRO                                                             | \$100,000                    | \$39,451                | Discontinued<br>Feb 2011 – Dec 2012 |
| Demonstration of ultra clean coal in a diesel engine                                                                                                | UCC Energy                                                        | \$2,581,000                  | \$38,174                | Discontinued<br>Feb 2011 – Nov 2013 |
| Full-scale ventilation air methane abatement facility                                                                                               | Illawarra Coal Holdings                                           | \$15,000,000                 | \$871,000               | Ongoing<br>Commenced Apr 2022       |

# Appendix 2

Grant allocations by technology (number of projects)



Grant allocations by technology (amount)



Note: graphs include all grant allocations 2008–present.

# Appendix 3



## INDEPENDENT AUDITOR'S REPORT

Coal Innovation NSW Fund

To Members of the New South Wales Parliament

### Opinion

I have audited the accompanying special purpose financial report (the financial report) of Coal Innovation NSW Fund (the Fund), which comprise the Statement by the Deputy Secretary, the Statement of income and expenditure for the year ended 30 June 2025, the Statement of net assets as at 30 June 2025 and the Statement of Cash Flows, for the year then ended, and notes to the financial report, including a Statement of Material Accounting Policy Information, and other explanatory information. The financial report has been prepared by the Deputy Secretary, NSW Resources, Department of Primary Industries and Regional Development (the Deputy Secretary) using the basis of accounting described in Note 1(b) to the financial report.

In my opinion, the financial report:

- have been prepared in accordance with section 7.8 of the Government Sector Finance Act 2018 (GSF Act) and Treasurer's Direction TD 23-24 'SDA Account financial reports' (the Treasurer's Direction)
- presents fairly the Fund'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 report' section of my report.

I am independent of the Fund 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.

## **Emphasis of Matter - Basis of Accounting**

Without modifying my opinion, I draw attention to Note 1(b) to the financial report which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Fund's financial reporting responsibilities under section 7.8 of the GSF Act and the Treasurer's Direction. As a result, the financial report may not be suitable for another purpose.

## **Deputy Secretary's Responsibilities for the Financial report**

The Deputy Secretary is responsible for the preparation and fair presentation of the financial report in accordance with the GSF Act and Treasurer's Directions and for such internal control as the Deputy Secretary determines is necessary to enable the preparation and fair presentation of the financial report that are free from material misstatement, whether due to fraud or error. The Deputy Secretary has determined that the basis of accounting described in Note 1(b) is appropriate for the purpose of fulfilling the Fund's annual financial reporting obligations under the GSF Act and the Treasurer's Direction.

In preparing the financial report, the Deputy Secretary is responsible for assessing the Fund'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 report**

My objectives are to:

- obtain reasonable assurance about whether the financial report as a whole is 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 report.

A description of my responsibilities for the audit of the financial report 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 Fund carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial report on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial report.



Min Lee  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

11 November 2025  
SYDNEY

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Coal Innovation NSW  
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