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# ANNUAL REPORT

## 2011/2012

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Any members of the Association who require clarification on the Annual Report are invited to contact:

The Secretary  
Energy Skills Queensland  
70 Sylvan Road, Toowong QLD 4066

Telephone: 07 3721 8800  
Email: [gporter@energyskillsqld.com.au](mailto:gporter@energyskillsqld.com.au)

# CHAIRPERSON'S REPORT

## MR PETER PRICE



**Energy Skills Queensland's workforce planning research, workforce development strategies and career advisory services are helping the energy and telecommunications industries build Queensland's workforce for the future.**

**Research highlights that skill shortages and skills gaps will continue to occur in many energy industry trades and will be in further demand as Queensland's Coal Seam Gas to Liquefied Natural Gas Projects gain momentum.**

Attracting and developing skills to meet these potential shortages will increasingly need to be a priority of industry and governments alike. Industry needs to plan for its future workforce needs and continue to recruit, train, retain and retrain its skilled workforce. We also need to embrace new training technologies.

In 2011/2012, Energy Skills Queensland has further cemented its position as a leader in facilitating and driving a collaborative approach to workforce planning and workforce development. By developing partnerships between the energy enterprises, government, training organisations and other stakeholders, Energy Skills Queensland ensures that industry has the staff to deliver what customers demand.

To be effective, training and workforce development must be aligned with work procedures and industry needs. Training providers need to recruit the right trainers to deliver this industry-aligned training and explore new and innovative training delivery options that provide improved training outcomes with less downtime.

The work that Energy Skills Queensland has done with the Coal Seam Gas to Liquefied Natural Gas industry in regional areas is an excellent example of how industry needs to establish a plan for its future workforce needs and then work together with governments and other stakeholders to implement its plan to ensure that it has the skills it needs.

In 2011/2012, Energy Skills Queensland has implemented strategies to increase the supply of skills in the identified shortage occupational groupings and is currently involved in numerous

workforce development, employment and training activities that will result in thousands of skilled people being available to join this high-growth industry over the next few years.

The Gladstone Workforce Skilling Strategy and the Coal Seam Gas Drilling Skills Program are both excellent examples of innovative skills development and employment initiatives designed to build skills in specific industry and regional areas, achieving an 83 per cent employment outcome as well as creating a much needed gateway for entry for the CSG industry. This success will be the driver for the expansion of these programs into more regions under a new name, the Queensland Workforce Skilling Strategy in 2012/2013.

Energy Skills Queensland is further developing this approach across all of the sub-sectors it manages within the broader energy industry to bring together key industry and government stakeholders to identify future skilling needs. Some of these initiatives include the Electrotechnology Pre-Apprenticeship Program and the Telecommunications New Entrant Program. These programs are all complemented by a unique service to help upskill existing workers and promote industry career pathways to job seekers through the Careers in Energy brand and website.

I congratulate Energy Skills Queensland on their achievements in 2011/2012 and we are projecting an even more successful year in 2012/2013.

**Mr Peter Price**  
**Chairperson, Energy Skills Queensland Board**

# CHIEF EXECUTIVE OFFICER'S REPORT

## MR GLENN PORTER



**Energy Skills Queensland has had a significant year of organisational growth and further advanced its position as a leader in workforce planning and workforce development for the energy and telecommunications sectors.**

In the past financial year, Energy Skills Queensland has enhanced its expertise and methodology for delivering the following workforce planning and workforce development initiatives:

- Engaging with industry to build relationships and establish an understanding of broader skill needs.
- Undertaking workforce planning in collaboration with key industry enterprises and stakeholders to identify potential skill shortages.
- Communicating identified shortages and workforce risks to industry and its stakeholders to encourage market-based responses.
- Working with industry and training providers to identify, initiate and implement workforce development strategies to attract, develop and retain the right skills in the right place at the right time.
- Continuing to monitor and support industry to meet future skills needs.

Significant commercial workforce planning projects undertaken by Energy Skills Queensland in 2011/2012 that analyse future workforce needs include:

- Energy and Telecommunications Industry Skills and Workforce Development Report
- Electrical Contractors Industry Workforce Plan
- Electricity Supply Industry Environmental Scan
- Renewable Energy Industry Workforce Plan
- Skills for a Low Carbon Economy Report
- CS Energy Workforce Plan - Callide

Energy Skills Queensland's workforce planning activities have identified peak demand for skills in Queensland's energy industry will be experienced in 2013/2014. Research undertaken from numerous sources indicates approximately 35,000 to 40,000 new jobs will be created in the energy and resources sector during the next five years.

Energy Skills Queensland's workforce planning approach of undertaking skills demand and supply analysis from an industry-wide perspective to inform skilling strategy has been adopted by a number of Industry Skills Bodies in Queensland and Australia. The reports have enabled Energy Skills Queensland to be instrumental in influencing and facilitating workforce development strategy to increase the supply of skills in identified shortage occupations.

Energy Skills Queensland continues to develop and implement a range of workforce development strategies to increase the supply of skills including:

- A \$10 million CSG/LNG Industry Training Program Fund
- The CSG/LNG Skills Formation Strategy
- The CSG Drilling Skills Program
- The Gladstone Workforce Skilling Strategy
- The Queensland Workforce Skilling Strategy
- Electrotechnology Pre-Apprenticeship Program
- Telecommunications New Entrant Training Program

Energy Skills Queensland's commitment to managing successful workforce development projects has been demonstrated by the highly successful CSG Drilling Skills Program and the Gladstone Workforce Skilling Strategy. Both projects have been extremely successful in attracting people into the energy industry, equipping participants with necessary skills and placing them into sustainable employment. These projects combined trained 196 participants and achieved a 83 per cent employment to support the CSG industry. Due to the success of these programs, Energy Skills Queensland received extended contracts and in 2012/2013 will expand the program into new regions under a new name, the Queensland Workforce Skilling Strategy.

The Queensland Workforce Skilling Strategy enables Energy Skills Queensland to build our profile across regional Queensland with seven staff based in Gladstone, Gympie, Bundaberg and Toowoomba. Energy Skills Queensland has built a positive corporate presence in these regions and is broadening its industry networks across Queensland.

In 2011/2012, Energy Skills Queensland successfully brokered more than \$12.8 million in Productivity Places Program funding provided by the Queensland Government to train and upskill workers for the energy and telecommunications industries.

# STRATEGIC PLAN

Since the funding was awarded in 2009, training has been delivered to more than 3,000 existing workers and more than 800 job seekers were upskilled.

Energy Skills Queensland significantly expanded its career and training advisory services delivered through the Energy Skills Solutions service and the development and promotion of the Careers in Energy website.

Energy Skills Solutions has provided career counselling advice and an initial skill assessment for hundreds of existing workers, leading to formal skill recognition and gap training undertaken by Registered Training Organisations. In addition, Energy Skills Solutions delivered presentations at all Queensland Government Mining and Gas Jobs Expos in 2011/2012 to assist thousands of jobseekers and existing workers access employment and training opportunities in the gas industry. Many of these people were referred onto training programs to upskill in preparation for jobs in this industry.

The Careers in Energy website was launched in May 2011 in response to an industry need to ensure job seekers and industry seekers have access to information on career pathways in the energy and telecommunications industries. This website is supported by the development of promotional materials including career guide booklets and other materials for distribution at careers expos and directly to careers advisors throughout Queensland.

Further to this initiative, in June 2012 Energy Skills Queensland partnered with Master Electricians Australia to deliver the ApprenticeConnect Australia Advisors Project.

## The Changing Face of Energy Skills Queensland

Since 2008, Energy Skills Queensland has been providing workforce planning and workforce development strategies for the energy industry with a unique focus is to research and examine industry workforce needs from every angle. We convert challenges into opportunities by connecting industry with skills.

In 2012, in recognition of an exciting new growth phase, Energy Skills Queensland refreshed our logo to reflect a change from a Centre of Excellence to a recognised Industry Skills Body (ISB) and moved our Brisbane office from Rocklea to a larger commercial building at 70 Sylvan Road, Toowong.

The project expands the Careers in Energy concept to provide career advice and information to people wanting to become an electrotechnology apprentice in Queensland, New South Wales, Victoria and South Australia.

As well as building our reputation as a highly-respected organisation at the forefront of developing solutions to help industry plan and develop their workforce, Energy Skills Queensland is striving towards financial sustainability and is on track to achieve financial independence to ensure its long term viability.

In 2011, Energy Skills Queensland introduced a corporate sponsorship program for employers to contribute to the industry development of Energy Skills Queensland. The sponsorship offering includes platinum, gold, silver, bronze and standard corporate options, supported by a range of benefits designed to boost corporate exposure including exposure to potential candidates on Energy Skills Queensland's Careers in Energy website. This initiative has been successful in Energy Skills Queensland partnering with industry leaders Ergon Energy, Australia Pacific LNG and Master Electricians Australia.

The 2012/2013 financial year promises to deliver a number of major skilling challenges for the energy industry and Energy Skills Queensland is now well-placed to effectively assist industry address emerging workforce challenges.

**Mr Glenn Porter**  
**Chief Executive Officer, Energy Skills Queensland**

Energy Skills Queensland also welcomed several new workforce development consultants who are helping to connect skilled workers with employment opportunities in the energy and resources industry in regional areas as part of the Queensland Workforce Skilling Strategy.

In 2012/2013, Energy Skills Queensland expects to further strengthen its leadership role in energy industry workforce planning research, workforce development and career promotion to build Queensland's energy workforce for the future.

## Organisation Vision

The vision of Energy Skills Queensland is to be the organisation of choice in workforce planning and workforce development for the energy and telecommunications industries in Queensland.

## Mission Statement

In achieving this vision, Energy Skills Queensland strives to provide insight and solutions for the Queensland energy and telecommunications industries to understand and develop their workforce.



## Key Objectives

The key objectives of Energy Skills Queensland are summarised as follows:

### Workforce Planning

- Examine the current and future workforce to identify skills needs and associated risks.
- Develop and communicate strategies to address skills needs and associated risks.

### Industry Engagement

- Act as the conduit between government, industry, education and training organisations and individuals.
- Lobby government and regulatory bodies to enhance skilling frameworks to meet skills needs.
- Assist industry to implement strategies to meet skills needs and mitigate workforce risk.
- Assist education and training organisations to deliver appropriate training and recognition of prior learning to meet skills needs.
- Generate stronger stakeholder engagement by joining and contributing to established groups, including committees, forums, workshops and Boards within the energy industry.

### Workforce Development

- Execute higher value skilling solutions.
- Develop innovative pathways to increase skill development to meet future needs.
- Further develop best practice recruitment and career advice portals.
- Further develop Energy Skills Queensland's ability to broker training and workforce development solutions.
- Work with selected Registered Training Organisations (RTO's) to develop specialist training facilities.
- Monitor the quality and assessment delivered by RTOs.

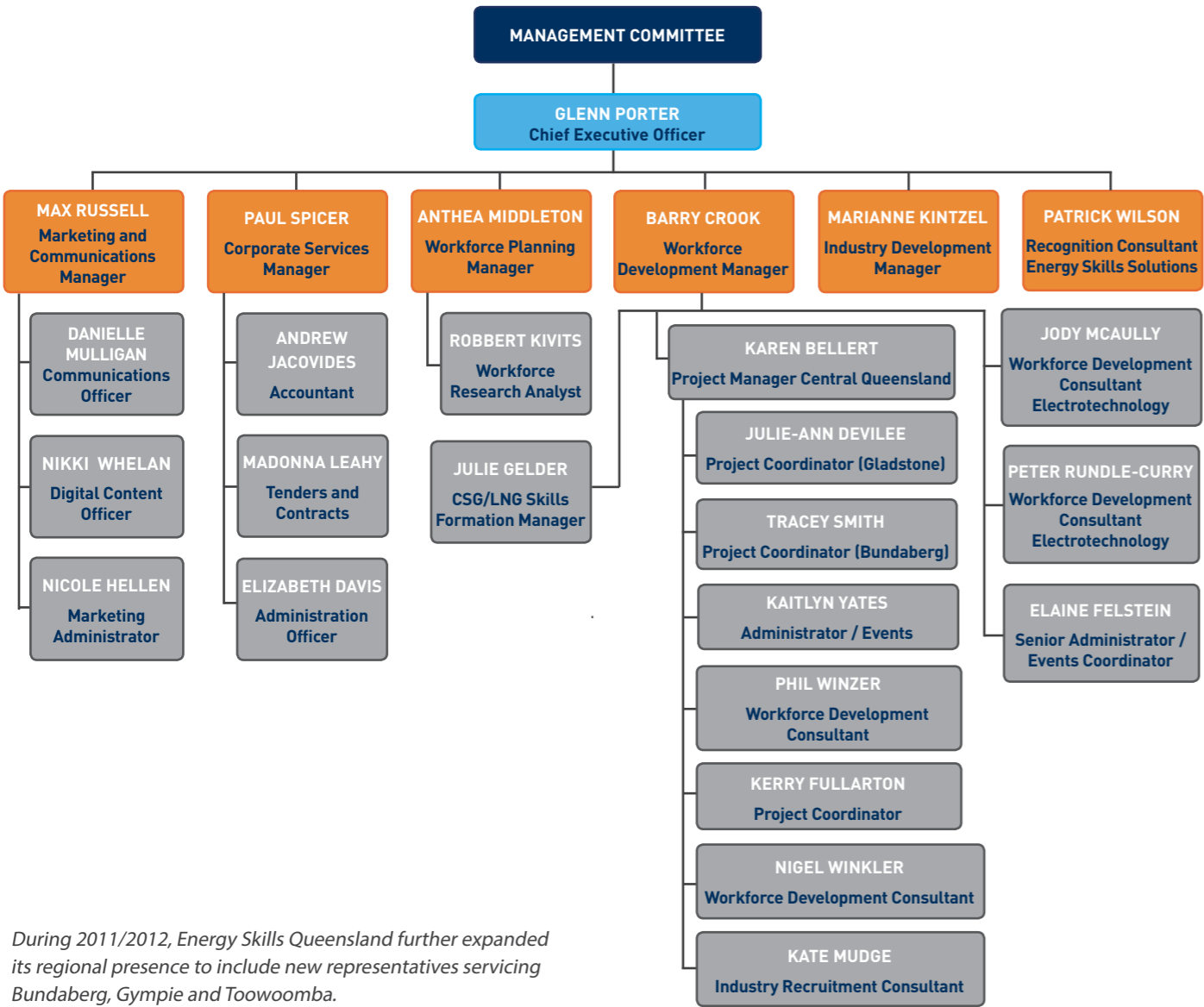
### Energy Skills Solutions:

- Assist individuals to upskill or gain entry into the energy and telecommunications industries by providing advice on skilling and career pathways.

### Organisation-wide:

- Build a sustainable business model.

# ORGANISATIONAL STRUCTURE



During 2011/2012, Energy Skills Queensland further expanded its regional presence to include new representatives servicing Bundaberg, Gympie and Toowoomba.

# MANAGEMENT COMMITTEE

## Energy Skills Queensland Management Committee (2011/2012)



**Peter Price**  
**Chairperson**  
Executive General Manager Network Performance  
*Energex*



**Malcolm Richards**  
**Deputy Chairperson**  
Chief Executive Officer  
*Electrical Contractors Association (ECA)*



**Edwin De Prinse**  
**Treasurer**  
General Manager - Transmission  
*APA Group*



**Dick Williams**  
**Director**  
*Electrical Trades Union Representative*



**Peter Billing**  
**Director**  
Executive General Manager Operations  
*Ergon Energy*



**Geoff Favell**  
**Director**  
Executive Director Industry Development  
Queensland Government  
*Department of Education, Training and Employment*



**Troy Spence**  
**Director**  
District Secretary  
*Australian Workers' Union*



**Glenn Porter**  
**Company Secretary**  
Chief Executive Officer  
*Energy Skills Queensland*

## Management Committee Meetings 2011/2012

The following are the dates of all Energy Skills Queensland Management Committee meetings held during the 2011/2012 financial year:

- 7 July 2011
- 11 August 2011
- 27 October 2011
- 8 December 2011
- 28 February 2012
- 26 April 2012

# WORKFORCE PLANNING

Energy Skills Queensland's Workforce Planning function has the following objectives:

- **Examine the current and future workforce to identify skills needs and associated risks.**
  - Attain a clear understanding of industry skilling needs.
  - Conduct workforce analysis on an industry-wide and enterprise basis.
  - Consistently monitor skills demand and supply.
- **Develop and communicate strategies to address skills needs and associated risks.**
  - Develop recommended strategies to meet workforce requirements.
  - Communicate recommended strategies to stakeholders.

## Key Achievements 2012 - Industry Based Workforce Planning

Energy Skills Queensland assists the energy and telecommunications industry to develop their workforces to meet future demand.

Energy Skills Queensland has completed several highly successful industry funded research and workforce planning projects to identify future skilling issues and shortages. These include the following:

- Electrical Contractors Industry Workforce Plan
- Electricity Supply Industry Environmental Scan
- Renewable Energy Industry Workforce Plan
- Skills for a Low Carbon Economy Report
- CS Energy Workforce Plan - Callide

## Energy Industry Skills Report 2012

In June 2012, Energy Skills Queensland released its annual Energy Industry Skills and Workforce Development Report.

The report provided an overview of the energy and telecommunications industries in Queensland, covering the developments of the previous 12 months, and presented a five year workforce skills and development outlook for the industry sectors.

The immediate priorities for skilling and workforce development are detailed in this report and provide advice to inform government and industry investments in training and education for the energy and telecommunications industries.

Australia's energy and resources burgeoning industries will continue to be one of the major key external drivers to impact Queensland's energy and telecommunications industries in coming years.

## Key Industry Challenges and Opportunities

The Energy Industry Skills Report 2012 identified the following key challenges and opportunities:

### Critical Issue One: Increase in demand of critical skilled roles to 2017

The ongoing investment in Queensland by the mining and resources sectors has increased the forecasted need for skilled labour across the state. Numerous critical roles, which typically have long education and training times, will require the greatest investment from both the government and private sector to ensure the 'boom' can continue productively and sustainably.

### Critical Issue Two: Not enough electrical apprentices completing, in training or commencing

Queensland will experience a shortfall of around 7,500 licensed electrical workers over the next five years. With 8,000 apprentices currently in training, only around 1,500 apprentices complete training each year when completion rates are factored in.

This number has already been taken into account when forecasting the supply, as well as retirement and industry attrition. It therefore indicates the sheer numbers of shortfall of future trained electrical workers. It is expected this shortfall will impact all licensed electrical trade roles.

**The Energy and Telecommunications sectors are currently the most dynamic industries in Australia with an estimated 45,000 new jobs during the next five years.**

### Critical Issue Three: Ageing population creating knowledge loss from industry

It is well known in the industry that there is an ageing workforce of licensed electrical workers. With around 45 per cent of the electrical workforce eligible to retire in the next ten years, it is the 'middle' career workers currently aged 35 to 45 who will be needed to fill those roles.

Movement of this group into managerial and para-professional roles is also likely to impact the number of experienced blue collar workers in the field, posing possible productivity and health and safety implications. With a projected decrease in workers aged 35 to 45, it can be assumed there will not be sufficient knowledge to fill both experienced blue collar, managerial and para-professional roles needed to operate in the industry when retirements increase.

### Critical Issue Four: Regional impacts of the energy and resources boom

The impacts of increased investment in Queensland will be most felt by regional areas such as the Bowen Basin, Surat Basin, Galilee Basin, Gladstone and Mackay. Growth in these areas will provide greater opportunities and potential threats which need to be addressed to ensure there are positive outcomes for local people and businesses.

### Critical Issue Five: Occupational detachment

Occupational detachment through the loss of skilled workers, particularly tradespersons to other occupations, coupled with the ageing demographic are the significant contributors to the high level of replacement demand seen across the energy and telecommunications industries.

Many regional tradespeople, especially workers in the domestic sector, are reducing the number of apprentices they are employing, or leaving the trade completely. This is due to the downturn in the domestic and commercial markets as well as increasing wage competition from the resources sector drawing apprentices and trade qualified workers away from traditionally lower salaried roles.

The telecommunications industry is over reliant on the sub-contractor model. Once trained, an individual has to become a self-employed business to seek work for key operators including Austar, Optus, Telstra and associated service providers.

The maturity of new entrant trainees is not sufficient for this to occur in most cases without appropriate support.

The ability for skilled workers i.e. licensed workers, to gain upskilling in critical areas is key to the increasing skills capability, engagement and knowledge transfer across the energy and telecommunications industries.

### Critical Skills and Occupations in Demand

- Electrical Fitter / Mechanic
- Instrumentation Control and Automation
- Lineworkers, including Live Lineworkers
- Services and Maintenance Electricians
- Estimators
- High Voltage Switching
- Hazardous Areas
- Lead Hand / Supervisor Skills
- VET Trainers and RTO Capacity
- Electrical Engineering Para-Professional
- Electrical Engineer
- Health, Safety and Environment Officers
- Fibre Network Designers
- Doggers and Riggers
- Drillers
- Well Servicing

## Key Recommendations

The culmination of Energy Skills Queensland's research and industry engagement during the last 12 months has produced the following recommendations:

### Addressing the increase in demand for skilled workers

- Prioritise funding for vocational education and training for skills that are in high demand and essential to the development of Queensland's economy.
- Planning and mapping of future skills requirements is critical for organisations to really leverage the benefits of the boom in Queensland. This is particularly true for regional Queensland where there is expected to be even greater levels of skills scarcity.

- Stronger industry engagement and input into skilling strategies at senior levels is needed to ensure Energy Skills Queensland, along with other industry bodies, deliver a whole of sector approach to the skills shortages.
- There is a need to establish a CSG training facility that enables trainee drillers to gain practical training on an actual drill rig to develop these skills in a safe, simulated environment.
- More support is needed to help employers upskill current workers in key roles such as lead hands and supervisors, estimators and advanced diplomas in electrotechnology.
- Greater focus on employment and training programs that train new workers from skill surplus regions and place them into jobs in skill shortage regions e.g. Queensland Workforce Skilling Strategy.
- Funding such as Skills Queensland's Strategic Investment Fund (SIF) should continue as it is critical in encouraging organisations to develop a skilled workforce to deliver the resources boom.

#### Increasing apprenticeship and traineeship numbers

- Further investment and initiatives are needed in secondary schools to increase awareness and communicate the benefits of completing an electrical trade and working in the electrical industry.
- Provision of additional subsidies is required to incentivise small to medium enterprises to train more apprentices.
- The current apprenticeship system will not meet the needs of projected demand given the current growth within the mining and resources sector and further innovation is required to meet the upcoming skills needs for Queensland. While the system works well and should continue its current form, numerous different pathways are required to build apprenticeship numbers and increase the pool of quality applicants.
- Increased industry support of competency based progression of electrotechnology apprenticeships is needed to encourage apprentices to complete training at their own pace.

- Review of apprenticeship training pathways to allow training organisations to enrol individuals in apprenticeship competencies outside of an apprenticeship. These competencies would not require practical on the job training.

#### Addressing the ageing population and potential occupational detachment of industry

- Increased investment in building flexible pathways to retirement is critical.
- Mature age pathways into the mining and resources sectors need to be improved. The process for skilled workers, who are eligible for Recognition of Prior Learning (RPL), needs to be more clearly defined.
- Increased investment in training and development of mature age workers e.g. training and assessment certifications is needed to increase the effectiveness of knowledge transfer from these workers. This could also keep skilled workers contributing to the trade for longer.

#### Increasing VET trainer numbers in critical trade roles

- A critical review of current remuneration options for technical trainers is urgently needed to encourage a broader pool of applicants and to increase employer options in employment decision making.
- Increased flexibility in employment options for technical trainers should be available, including part-time, secondment arrangements and contract based employment.
- As a recommendation to address the difficulty in attracting more technical trainers, Energy Skills Queensland suggests providing more information and training to tradespeople aged 40 to 55. Energy Skills Queensland's research indicates this age group is when tradespeople are most likely to consider moving into a training role.



## Workforce Planning 2013 Outlook

Energy Skills Queensland will seek to complete several important industry and enterprise based workforce planning projects in 2013. While 2012 has seen a very high focus on the electrical workforce in Queensland, in 2013, Energy Skills Queensland will focus on other industry sectors that are contributing to driving the skills gap. In particular, the focus will be placed on regional delivery of workforce planning initiatives. A summary of these projects include:

### Education

A series of workforce planning workshops are planned for delivery in 2013. These workshops are aimed at small to medium businesses to enable them to deliver effective plans which respond to increasing skills shortages.

A second series of workshops will train key stakeholders to deliver workforce planning at a regional or community level. The aim of these workshops is to plan alongside future economic opportunities of Queensland's regional communities.

### Analysis

The CSG Drilling industry is one sector that requires better understanding of its current and future workforce needs, required skill sets, skills demand, supply analysis and recommendations regarding future workforce development strategies needed by the industry. This industry workforce plan aims to address the knowledge gaps and inform decisions needed for skilling and training investment.

Energy Skills Queensland will undertake a review of the 2009 CSG/LNG Operations and Maintenance Workforce Plan and refocus attention on what skills are needed for the upcoming 'business as usual' phase for CSG/LNG operators and contractors in Queensland.

### Consulting

Energy Skills Queensland aims to engage with numerous businesses during 2013 to continue to enable enterprise level workforce planning and development practices.

# INDUSTRY STRUCTURE

Energy Skills Queensland's industry structure has been organised into the following industry sectors:

## Electricity

### Electricity Supply and Rail

- Transmission - electricity transported from power stations through the high voltage transmission network.
- Distribution - electricity is distributed to homes and businesses via 'bulk supply' substations.
- Rail - electricity is distributed for transportation of people and goods by various types of rail traction vehicles (e.g. tram and train).

### Electricity Generation

- Generation of electricity.

### Electrotechnology

- Installation wiring, appliance servicing, instrumentation and control, refrigeration, power and motor re-winding.
- Communications and telecommunications, lifts, consumer and commercial electronics and systems installation.

### Sustainable and Renewable Energy

- Energy efficient built environment and related industries.
- Solar, wind, biomass, geothermal and hydro-electric subsectors of the renewable energy industry.

## Gas

### Gas Transmission and Distribution

- Manufacture, processing, transmission and distribution of natural gas.

### Coal Seam Gas/Liquefied Natural Gas

- Extraction, transmission and distribution of coal seam gas, and processing into liquefied natural gas.

### Drilling

- Extraction of coal seam gas and well servicing.

## Telecommunications

- Installation and maintenance of telecommunication cabling, equipment, digital technologies and networks.

# WORKFORCE DEVELOPMENT



Image courtesy of Origin Energy

Energy Skills Queensland assists the industry and enterprises to increase workforce productivity and efficiency through targeted workforce development strategies.

During 2011/2012 Energy Skills Queensland engaged with industry to determine their workforce development needs and then worked with companies, training organisations and government agencies to implement projects that build a stronger and more productive workforce.

Energy Skills Queensland's Workforce Development Consultants based in Brisbane, Toowoomba, Gympie, Bundaberg and Gladstone work to connect skilled workers with industry employers.

Energy Skills Queensland also engages through Industry Leaders Groups which are a peak body of key industry stakeholders that improve skilling and workforce development outcomes for the industry. The groups are supported by other committees such as project teams and training committees.

During 2011/2012 Energy Skills Queensland convened 38 meetings which were attended by more than 300 members and observers.

The following pages outline some of the key achievements across the three sectors in industry engagement and workforce development.



## Electricity

Energy Skills Queensland works with electricity industry sectors such as electrotechnology, generation, distribution and energy efficiency.

### Electrotechnology Industry Leaders Group

A key outcome of the electrotechnology industry leaders group was the implementation of the new UEE11 training package. The group worked with EE-Oz to assist the rollout, which included members attending the EE-Oz Training Package Implementation Workshop on 24 March 2012.

The Electrotechnology Industry Leaders Group will focus on increasing the number of electrical workers in the industry through providing additional pathways and incentives to employ apprentices, setting minimum standards for entry to the industry and upskilling existing workers to increase their productivity, particularly in instrumentation and energy efficiency.

### Electricity Supply Industry Skills Recognition Group

The Electricity Supply Industry (ESI) Skills Recognition Group works collaboratively to identify training efficiencies and maximise mutual recognition of training outcomes with network operators Energex, Ergon and Powerlink. The Group made progress in harmonising the requirements and training programs of the three organisations which will reduce the training burden and increase mobility of the workforce. The Group also looked at identifying mutual recognition of the more generic contractor inductions and researched national harmonisation in respect to licensing and reducing differences in state legislation.

In the future, the ESI Skills Recognition Group will:

- Identify and share best practice with regard to safety including developing consistent safety training resources.
- Identify cost reductions for each organisation.
- Facilitate application of RPL and RCC for workers moving across corporations which is important during times of natural disaster.
- Identify, define, and where possible, reduce the amount of 'gap training' required between organisations.

### National Passport for the Electricity Supply Industry

The National Electricity Supply Industry (ESI) Passport has been widely accepted across Australia with 24 electricity entities signing the agreement. Energy Skills Queensland has worked with other states to develop a database of skills and qualifications held by industry personnel and a card that can be read by smart phones which links back to the database. As at 31 March 2012, more than 21,700 Passports have been issued.

### Energy Skills Test

The electrotechnology industry identified that poor retention is often a result of recruiting apprentices who may not be suitable for the industry. Energy Skills Queensland worked with the electrotechnology industry to develop the Energy Skills Test which will enhance employee recruitment processes through standardised testing of mechanical reasoning, numerical reasoning and situational safety assessment. The test has been piloted by companies and will be extensively promoted in 2013.

### Electrotechnology Pre-Apprenticeship Program

In October 2012, Energy Skills Queensland commenced a Pre-Apprenticeship Program – Certificate II Electrotechnology (Career Start) to maximise the successful commencement and retention of new apprentices within the electrotechnology sector.

The initiative, funded by the Queensland Government selects the most suitable candidates through a rigorous selection process, and provides accredited training, making graduates very attractive to prospective employers and maximises the likelihood of completing their apprenticeship.

Energy Skills Queensland partnered with several industry employers to secure vocational placement for candidates and provide a no cost recruitment strategy for employers. The program recruited 231 participants across Queensland and 212 enrolled into the program with 210 completing the Certificate II in Electrotechnology. The training was provided by TAFE and private training providers.

### Certificate IV Electrical – Instrumentation

In October 2012, Energy Skills Queensland commenced the upskilling of existing electrical workers into Certificate IV Electrical Instrumentation initiative.

The initiative is funded by the Queensland Government and is designed to meet a skill shortage highlighted by Energy Skills Queensland's Workforce Planning research. Two training providers were engaged to deliver training to 115 enrolled participants for completion by June 2013.

#### Other key initiatives during the year included:

- Completion of the Low Carbon Skills Project. The project created eight new skills sets in UEE11, one new qualification in UEE11, four new competencies and four new learning and assessment plans.

- Declaration of Certificate IV Electrical Instrumentation apprenticeship.
- A Job Modelling Project with QR City Train.

#### In 2012/2013, Energy Skills Queensland will be working with industry on the following initiatives:

- National licensing of boilermakers in the generation sector.
- Dual Trade Refrigeration - Electrical qualification.
- Apprentice Incubator Program which encourages resource sector companies to employ apprentices through hosting them in non-resources sector workplaces during the early years of their apprenticeship.

### Santos GLNG project sponsors five GWSS electrotechnology participants



Apprentice Ruan Reyneke is glad to see more Gladstone locals participate in the program to further their skills.

Santos GLNG sponsored apprentice Ruan Reyneke

The Santos GLNG project, partnered with Energy Skills Queensland's Gladstone Workforce Skilling Strategy (GWSS) and Central Queensland Institute of TAFE to sponsor five GWSS electrotechnology participants.

The apprentices were selected from a group of 15 trainees who completed a Certificate II Electrotechnology training program with GWSS while undertaking practical experience within Gladstone businesses.

GLNG Senior Community Relations Advisor Helen Simpson congratulated participants for their professionalism during the selection process.

"All of the participants are a credit to Energy Skills Queensland and the Gladstone Workforce Skilling Strategy team," Ms Simpson said.

## Gas

Energy Skills Queensland works with gas industry sectors such as CSG drilling and well servicing, gas compression, transmission and distribution.

### Coal Seam Gas/Liquefied Natural Gas Taskforce

The CSG/LNG Skills Taskforce includes representatives from the major gas companies, Origin, Conoco Phillips, QGC, Santos, and Arrow Energy, as well as industry-led statutory body Skills Queensland. The taskforce oversaw the CSG/LNG training fund and provided valuable direction to skills and workforce development for the CSG/LNG industry.

### Drilling Industry Leaders Group (DILG)

The Drilling Industry Leaders Group (DILG) represents the majority of drilling companies operating within Queensland and has expanded to include participation by mineral exploration companies. During the year, the DILG:

- Facilitated the development of Well Workover qualifications.
- Formalised drilling skills qualifications and facilitated the declaration of Drilling Traineeships.
- Worked with the Regulator to finalise the competency standard for the CSG Drilling industry.
- Lobbied for company men on drilling sites to have recognised qualifications and experience.

The DILG's plans for the future include seeking declaration of traineeships for well servicing, updating all drilling qualifications, piloting a drilling cadetship and completing a workforce plan for the drilling and well servicing industry.

### Drilling Cadetship

The Drilling Cadetship is designed to provide an accelerated pathway for inexperienced workers within the coal seam gas and exploration drilling industry (Leasehand and Floormen/Motormen) and progress them to higher level occupations such as Drillers within a reduced timeframe while maintaining high quality training and assessment.

The Drilling Cadetship is modelled upon traditional trade apprenticeship training strategies including structured off-the-job training and assessment delivered within a registered training organisation. The Drilling Cadetship model would include on-the-job training and workplace assessment undertaken on-site within a drilling crew. Energy Skills Queensland is working with members of the Drilling Industry Leaders Group to pilot a cadetship program in 2013.

### Coal Seam Gas/Liquefied Natural Gas Skills Formation Strategy

The CSG/LNG Skills Formation Strategy (SFS) commenced in October 2009 and has provided a framework for industry, communities and government to meet the demand for skilled workers in the emerging CSG/LNG industry. The strategy broadly focused on workforce issues such as workforce mobility, diversity and sustainability.

Energy Skills Queensland established a CSG/LNG Industry Taskforce prior to the SFS commencing and this group had identified the number of workers required in the Surat Basin for CSG Operations. Further to this, Energy Skills Queensland was commissioned by Construction Skills Queensland to research construction requirements for the CSG to LNG projects. The identified workforce was up to 18,000 workers over a five year period with critical shortages for CSG drillers in the Surat Basin and skills required for construction of LNG trains in Gladstone. Energy Skills Queensland developed a plan for local residents to gain employment either in this industry sector or backfill jobs that were left vacant due to workers being drawn from existing industry and businesses within Gladstone and the Surat Basin.

To ensure industry were identifying the issues and opportunities within the Surat Basin and Gladstone communities, Energy Skills Queensland conducted industry summits in Gladstone and Dalby. As a result of the forums, industry identified key initiatives that would assist this new industry to work collaboratively with other stakeholders and to develop strategies that would assist to backfill the positions that would be left vacant as a result of the CSG/LNG industry.

Energy Skills Queensland has developed these initiatives into a comprehensive strategy through the Queensland Workforce Skilling Strategy (QWSS):

- A model of 'leadership commitment' within industry.
- Development and implementation of a range of skills development activities to meet the emerging needs of the CGC/LNG industry.
- Development of a skilling strategy that targets participants from local regions, including indigenous, migrants, career changers and unemployed.
- Development of a training plan to meet the entry level requirements for new employees.

The CSG/LNG SFS is now finalised and strategies for industry to take carriage of this strategy and continue to develop and implement the key initiatives are necessary.

### Gas Work Authorisation for Stationary Reciprocating Gas Engines

The four CSG/LNG proponents asked Energy Skills Queensland to scope out the tasks and skill sets leading to the development of an accredited training program for gas work authorisation for stationary reciprocating gas engines. Energy Skills Queensland worked with SkillsTech Australia, EE-Oz and the regulator to develop the new units of competency that would allow personnel to meet the regulatory requirement. Two competencies have been accredited and are available for RTOs to seek registration and commence delivery.

### Gympie girl on road to success

Participating in the Queensland Workforce Skilling Strategy has paid dividends for 21 year old Braiidan Meloury securing a position with international drilling company Saxon Energy.

Undertaking accredited training in the QWSS Drilling program, Braiidan obtained the necessary skills and knowledge for a career in the burgeoning industry.

QWSS Project Coordinator Kerry Fullarton said Braiidan was the only female graduate of their drilling program but stood out for her determination to change her career prospects from the start.

"She is a real role model and ambassador for women in the energy sector and has highlighted the career opportunities available for young women.

Braiidan said working for an international company was exciting and the program equipped her with the skills to succeed in her role.



Working two weeks on, two weeks off on a drilling rig near Roma, Ms Meloury loves her career and the opportunity to meet many interesting people.

Queensland Workforce Skilling Strategy

In 2011, Energy Skills Queensland introduced two workforce development, training and employment programs for skilled workers to enter the Coal Seam Gas to Liquefied Natural Gas industry (CSG/LNG). The Gladstone Workforce Skilling Strategy and the CSG Drilling Skills Program provided a holistic approach to help fill the growing skills demands of the energy and resources sector in the Surat Basin and Gladstone regions. The two programs were hugely successful in achieving an 83 per cent employment outcome.

This successful formula involves Energy Skills Queensland’s Workforce Development Consultants engaging with industry employers upfront to identify skills needs and then building partnerships with employment service providers and training organisations and to recruit, select and train a skilled workforce to meet this industry need.

Gladstone Workforce Skilling Strategy

The Gladstone Workforce Skilling Strategy (GWSS) aims to address Gladstone skills shortages and increase employment outcomes for locals who are unemployed, underemployed, migrants or indigenous Australians. In 2011, the GWSS program prepared 105 participants for employment, including a supported approach to break down possible barriers which might exclude individuals from entering the workforce.

In addition to life and work readiness skills, participants received accredited vocational training in a range of Certificate II and III level qualifications including: construction, electrical, scaffolding, engineering, business administration and hospitality. The GWSS has been extremely successful with 82 of the 105 participants trained gaining employment.

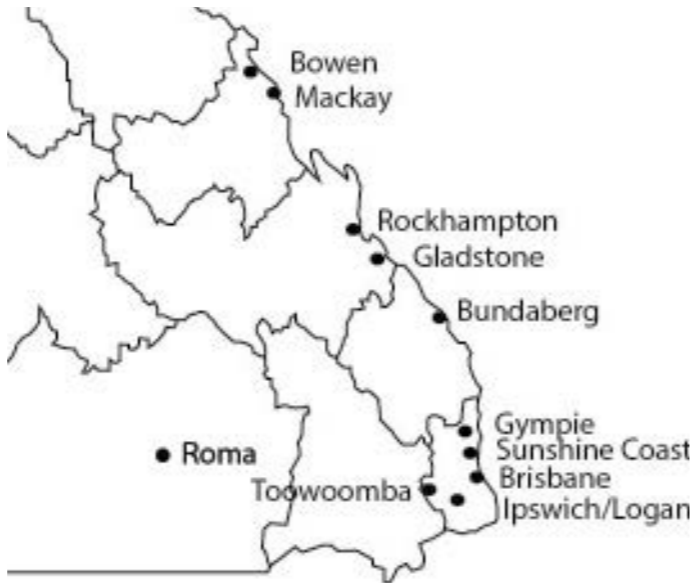
The Queensland Workforce Skilling Strategy will expand into Rockhampton, Sunshine Coast, Mackay, Toowoomba, Roma and Bowen in 2012/2013.

Coal Seam Gas Drilling Skills Program

The Coal Seam Gas (CSG) Drilling Skills program was developed to create a career pathway for new entrants to meet the needs of a rapidly growing industry. Commenced in late October 2010, the program trained and prepared 91 unemployed participants (including 50 per cent indigenous participants) for employment in the CSG drilling industry with a target of per cent. Despite the January 2011 floods which affected many of the training locations, 82 out of the 91 participants who completed training gained employment.

In 2012, the success of the Gladstone Workforce Skilling Strategy and the Coal Seam Gas Drilling Skills Program was used as a blueprint to expand into new regions including Bundaberg, Fraser Coast, Ipswich/Logan, Sunshine Coast and the Southern Wide Bay Burnett (Gympie) under a new brand – the Queensland Workforce Skilling Strategy.

With an estimated workforce for this industry predicted to be up to 18,000 workers during the next five years, the Queensland Workforce Skilling Strategy program will link potential workers from high unemployment areas to these jobs.



The Queensland Workforce Skilling Strategy program provides participants with the following services:

- Life and work readiness skills to ensure participants are job ready.
- Living away from home experience to prepare participants for working in a ‘fly-in, fly-out’ or ‘drive-in, drive-out’ environment.
- Industry engagement experience to provide participants with an insight into the CSG/LNG industry.
- Qualifications and accredited training delivered to industry requirements and align to jobs.
- Employment assistance and ongoing mentoring and post placement support.

In 2013, the Queensland Workforce Skilling Strategy is set to achieve bigger and better things with plans to train more than 450 job seekers across Queensland by delivering industry driven training and connecting the skilled workers to employment opportunities with a further expansion of the program into Toowoomba, Roma, Bowen, Mackay and Rockhampton.

The Gladstone Workforce Skilling Strategy and CSG Drilling Skills Program Outcomes 2011

ENTRY LEVEL PROGRAMS 2011	NUMBER OF PARTICIPANTS	TOTAL EMPLOYED	OVERALL PERCENTAGE OUTCOME
Gladstone Workforce Skilling Strategy	105	82	83%
CSG Drilling Skills Program	91	82	



83 per cent of participants have been placed into sustainable employment



## Telecommunications

### Telecommunications New Entrant Training Program

In early 2011 Energy Skills Queensland identified an opportunity to provide job seeker training across South East Queensland for the telecommunications industry. The opportunity was essentially fuelled by two large, national initiatives – the National Broadband Network (NBN) and the Digital TV Switch-Over.

The primary objective of this initiative was to provide a skilled workforce that was 'job ready' for the implementation of the NBN, it was also intended to address other critical areas of need within the broader industry including Digital Reception Technology (DRT).

Energy Skills Queensland engaged three RTOs to deliver the training, using existing funding allocated under the Productivity Places Program. The program ran across South-East Queensland (Ipswich, Logan, Brisbane, Redland Bay, Gold Coast, Sunshine Coast, Toowoomba). Training delivery consisted of one week of job preparation training, followed by eight weeks of RTO training delivery and an industry placement.

The training was run successfully with all participants undertaking work placement. Unfortunately, the National Broadband Network rollout and the Digital TV switchover progressed at a much slower rate than expected and provided limited employment opportunities.

Coupled with this, changes to the Telstra contracting arrangements left the program with few avenues with which to target employment.

Stakeholders believe significant outcomes were achieved despite the challenges. Of 82 participants who completed the training program, 40 participants gained employment. A similar program with electrotechnology skills for the telecommunications sector was very successful with 13 of the 20 participants gaining employment.

### Telecommunications Industry Committee and Training Committee

The industry and training committees actively promoted industry training and skills development to meet the needs of major initiatives such as the National Broadband Network and Digital TV Switchover.

The groups were instrumental in changing the ANZSCO codes that match current industry job roles and also lobbied for user choice funding for traineeships in telecommunications. A NBN Summit was also held to better understand the skills needs of this major project.

In the future the groups will develop design and drafting telecommunications competencies and strategies to promote telecommunications careers.

## Forums

During 2011/2012 Energy Skills Queensland convened forums to provide industry with the latest information on skilling and workforce development issues and opportunities and showcase Energy Skills Queensland initiatives.

### Indigenous Workforce Participation in the Drilling Industry Forum (March 2012)

An industry forum for Indigenous Workforce Participation in the Drilling Industry sponsored by QGC was held in Toowoomba in March 2012. The forum was attended by 76 suppliers, contractors, indigenous community leaders, community representatives, training consultants and government representatives who learnt the latest initiatives in recruiting, training and retaining indigenous employees.

Forum topics included: meeting contractual indigenous workforce participation requirements, recruiting a local indigenous workforce, indigenous retention in a small drilling company and assistance to support indigenous workers.

### Renewable Energy Training Workshop (August 2011)

The Renewable Energy Training Workshop was held in Brisbane through an initiative of the Department of Education and Training's Skills Development for a Low Carbon Economy. The workshop focused on the skills needed in Queensland to ensure electricity generation from renewable energy sources i.e. solar, thermal wind and geothermal. This workshop assisted the industry sectors to identify their existing and emerging skills needs with a particular focus on electrotechnology workers.

### Training for the Drilling Industry Forum (August 2012)

The training for the Drilling Industry forum in Toowoomba, opened by the Assistant Minister Saxon Rice assisted drilling companies and training organisations to understand their training requirements and to connect with the right organisations to obtain assistance. Around 110 attendees were briefed on topics including skills and workforce challenges for the drilling industry, the principles of best practice training and how to manage training in a small to medium enterprise.

## Industry Partnerships

### Australia Pacific LNG

Energy Skills Queensland secured \$300,000 of funding from Australia Pacific LNG (APLNG) to deliver the Queensland Workforce Skilling Strategy in Gladstone, Bundaberg and Rockhampton over the next three years. The Queensland Workforce Skilling Strategy assists the CSG to LNG industry to meet workforce skills needs, while addressing broader community requirements to provide local and regional employment opportunities.

### QGC

Energy Skills Queensland worked closely with QGC to develop training, employment and business opportunities for indigenous communities within their CSG/LNG footprint. Energy Skills Queensland is managing six contracts for QGC within the CSG industry totalling over \$820,000. These contracts are targeted at improving indigenous participation in the resources regions from Rockhampton to Toowoomba:

- QGC/MSS/Iman Security Training Initiative
- QGC/ESQ – John Pearson Consulting – Indigenous Workstars Project
- QGC/Gidarjil – CSG Construction and Asset Maintenance Industry Training Centre
- QGC/ESQ – Ostwald Bros – Attract, Train and Retain for Construction Workforce Development Program
- QGC/APLNG/Iman – Drillpass Baseline Training – Drilling Course for Iman Traditional Owner Group.
- QGC/ESQ – Drilling Industry Workforce Skilling Strategy - Toowoomba

## Productivity Places Program Brokerage

In June 2009, the Queensland Government Department of Education and Training awarded Energy Skills Queensland a contract to manage the brokerage of training for existing workers and job seekers in approved energy and telecommunications qualifications under the Commonwealth Government's Productivity Places Program.

Since the program commenced, Energy Skills Queensland successfully brokered more than \$12.8 million in Productivity Places Program funding to train and upskill workers for the energy and telecommunications industries.

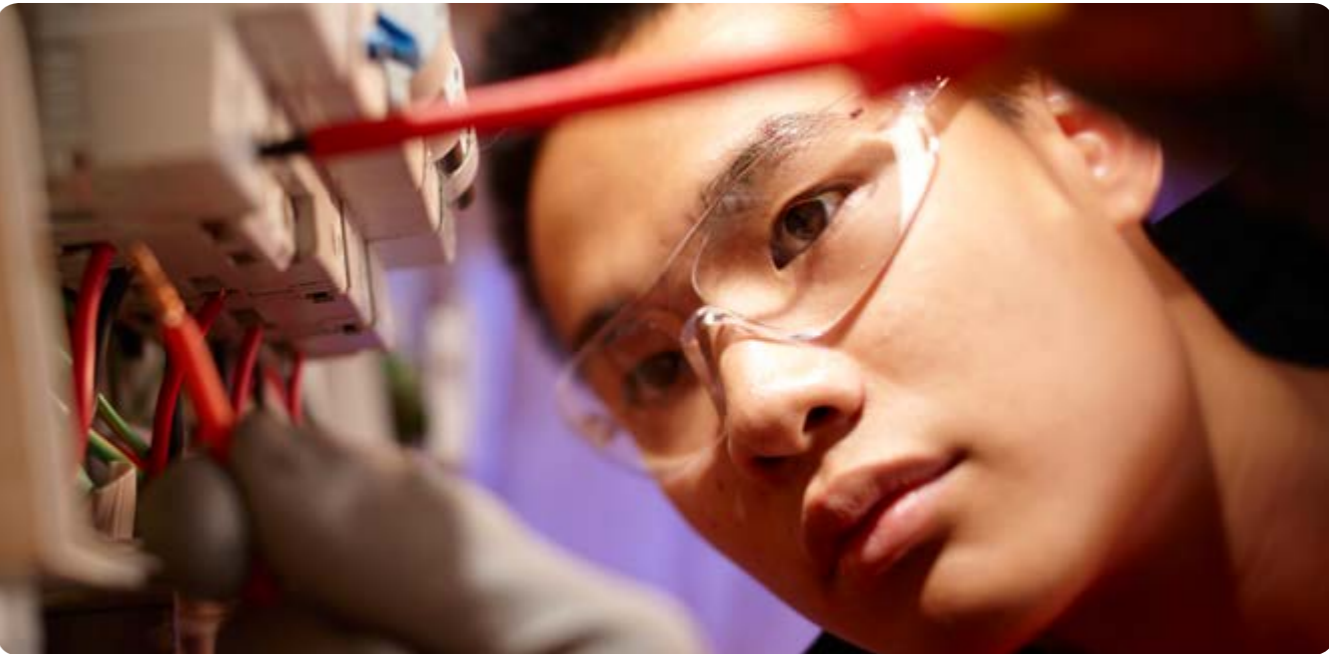
The training was delivered to more than 3,000 existing workers and more than 800 job seekers were upskilled.

The most popular training packages included electrical photovoltaic, electrical instrumentation and hazardous areas for a range of energy related companies throughout Queensland.

## Audits of Registered Training Organisations

Energy Skills Queensland provided technical assistance to the Department of Education, Training and Employment and the newly appointed Australian Skills Quality Authority (ASQA) for audits of Registered Training Organisations (RTO's) delivering electrotechnology qualifications.

During 2011/2012 Energy Skills Queensland participated in four RTO audits incorporating initial and monitoring audits.



# ENERGY SKILLS SOLUTIONS



**Energy Skills Solutions (ESS) assists individuals to upskill or gain entry into the energy and telecommunications industries by providing advice on skills and career pathways.**

The Energy Skills Solutions service provides:

- Assistance to individuals to gain recognition of prior learning (RPL).
- Preliminary RPL assessment of an individual's skills, knowledge and previous training into a national qualification.
- Advice to individuals on skills demand areas and the training required to meet those skills demands.
- Advice to individuals on Queensland electrical licensing and how to obtain an electrical license.

## Summary of Key Activities and Achievements

Energy Skills Solutions has become a vital source of information and advice on skills and training opportunities for a career in energy and progression within the energy and telecommunications industries.

In 2011/2012, Energy Skills Solutions consultants delivered the following services:

- Conducted interviews and responded to indepth enquiries of more than 840 individuals since 1 July 2011 to 30 June 2012 including referral to Registered Training Organisations for RPL funding for more than 400 individuals.
- Participated in the State Government Mining and Gas Jobs Expos including delivery of presentation "Job Opportunities in the Energy Sector" to more than 1000 participants. Expos were held in Brisbane, Gold Coast, Maryborough, Cairns, Townsville, Airlie Beach, Ipswich and Logan.
- Developed relationships with key Registered Training Organisations including SkillsTech, Future Skills and Conquest Communications.
- Conducted RPL preliminary assessments for Bundaberg participants in qualifications including welding, construction and asset maintenance.
- Participated in numerous career expos in various locations including Gladstone, Rockhampton, Brisbane, Gold Coast, Caloundra, Ipswich and Logan.

**More than 840 people received career assistance by Energy Skills Solutions during 2011/2012.**

# CAREERS IN ENERGY

In May 2011, Energy Skills Queensland launched the Careers in Energy website to connect potential labour audiences including school leavers, skilled trade workers, para-professionals and professionals with essential information, training courses, job vacancies and career opportunities in the energy and telecommunications industries.

Careers in Energy website features include:

- A job search engine to find and apply for a job online.
- Career pathways, job profiles and industry information.
- Dedicated access to training and education information servicing the industry.
- The latest employment and training programs offered by Energy Skills Queensland and industry partners.

The Careers in Energy website is supported by:

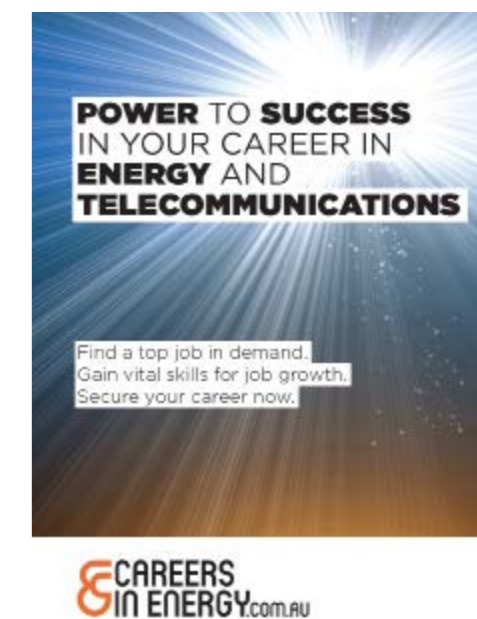
- Careers and promotional resources.
- Attendance at Queensland careers and trade expos.
- Employers willing to promote job opportunities.
- Training organisations and job service agencies.
- Social media discussion by Energy Skills Queensland.

## Summary of key capability achievements

Since the Careers in Energy website's inception, Energy Skills Queensland has delivered industry-specific careers promotion services for the energy and telecommunications industries, including the following:

- Developed an extensive database of Queensland secondary school and university careers advisors/guidance officers and VET coordinators.
- Developed and operated social media channels to promote career paths for the benefit of Queensland employers and related training organisations.
- Developed career resources including guide booklets, posters, pens and other promotional merchandise.
- Coordinated Careers in Energy stands at expos throughout regional Queensland, providing essential career and training advice for all industry sectors.
- Distributed thousands of promotional resources and merchandise to school leavers and job seekers at careers and trade exhibitions.

- Distributed thousands of careers promotion resources to industry employers, training organisations, careers advisors and job agencies.
- Sponsored apprenticeship graduation awards nights and a student scholar.
- Developed strategic partnerships with regional economic development organisations, chambers of commerce and regional promotion groups for industry career promotion.



# INDUSTRY PROMOTION

## Annual Conference

The Energy Skills Queensland Annual Conference provides industry with a prime opportunity to build and strengthen business relationships and network face-to-face with other professionals from the energy and training industries in Queensland.

Covering many of the initiatives, challenges and opportunities facing the energy industry now and into the future, the Annual Conference attracts national and international senior delegates directly involved in energy industry training including representatives from industry, government and training organisations.

The Conference provides:

- Effective marketing and communications platform to showcase industry leadership in workforce planning and development.
- Informal exposure to an interested and relevant audience.
- A unique platform to gain valuable perspectives on new and innovative industry directions and latest market insight.
- An opportunity to reinforce Energy Skills Queensland's strong reputation and corporate profile.

## The Skill Connection Newsletter

The Skill Connection Newsletter is Energy Skills Queensland's flagship communication tool and is Queensland's only source of relevant energy and training industry news. Published bi-monthly, the 16 page newsletter is emailed to contacts with a small number of copies printed for distribution by Energy Skills Queensland staff and at industry events.

The Skill Connection newsletter publicises and promotes industry and training projects, programs and initiatives including:

- Key industry projects developments and industry announcements for all sectors.
- All Energy Skills Queensland programs, services, initiatives and achievements.
- Workforce planning research and workforce development project training announcements and partnerships.

Delegates value the quality presentations delivered from industry professionals from a range of sectors and presented with a unique training and skilling focus. This has resulted in the Energy Skills Queensland Annual Conference consistently achieving capacity attendance for three consecutive years (2010, 2011 and 2012).



## Industry Forums and Events

Energy Skills Queensland coordinates a number of industry networking events and forums to facilitate engagement across energy industry sectors, as well as connecting industry with key representatives from suppliers, training organisations and government.

In 2011/2012, Energy Skills Queensland organised and hosted a range of workshops, seminars and special events:

- Careers in Energy website launch - Brisbane and Gladstone
- Gladstone Workforce Skilling Strategy launch - Gladstone
- Renewable Energy Training Industry Forum - Brisbane
- EE-Oz Training Package Implementation Workshops - Brisbane
- CSG Drilling Skills Industry Summit - Brisbane
- Gladstone Workforce Skilling Strategy Graduation Dinner - Gladstone

# FINANCIAL STATEMENTS – CEO COMMENTS

## Operating Statement

In 2011/2012, Energy Skills Queensland achieved a very healthy operating surplus of \$615,484. This great result raised the accumulative operating surplus to \$2,740,869.

This strong surplus for the 2011/2012 financial year can be attributed to numerous factors, including a significant increase in revenue of the Productivity Places Program, together with increased activity of other projects, particularly the Queensland Workforce Skilling Strategy, which has enabled increased efficiency of the recovery of overhead costs.

The Centre of Excellence Funding of \$3.1 million continues to provide a strong foundation for Energy Skills Queensland to further develop and implement new funding strategies to achieve its core objectives.

With the change of Government, the funding landscape has changed significantly with State funding being reduced in the 2012/2013 financial year. In anticipation of this changing landscape, Energy Skills Queensland have moved towards more commercial projects by partnering with key industry operators including QGC and other gas and energy companies. Federal funding such as the National Workforce Development Fund and Access fund is also being utilised to continue the delivery of our highly successful Queensland Workforce Skilling Strategy project. Although we are budgeting for a significant drop in surplus during the 2012/2013 financial year, Energy Skills Queensland is optimistic of achieving a solid result given the changing landscape.

Changes in our funding model has resulted in more staff required to deliver various aspects of Energy Skills Queensland's projects, particularly for the Queensland Workforce Skilling Strategy which is expanding into ten regions within the State during 2012/2013 financial year.

Due to the success of the Queensland Workforce Skilling Strategy and the continued delivery of this program, staffing levels have increased by one (1) compared to last year to a level of 25 staff.

## Balance Sheet

Experiencing strong operating surpluses, Energy Skills Queensland's Balance Sheet has again significantly improved its financial security and liquidity, increasing its total equity from \$2,125,385 in 2010/2011 to \$2,740,869 in 2011/2012 financial year. To further enhance Energy Skills Queensland's commitment to being the energy, gas and telecommunications Industry Skills Body, a permanent office site owned by Energy Skills Queensland was acquired at 70 Sylvan Road, Toowong Queensland in late 2011.

Servicing the industry throughout Queensland in a more profound way than ever before, and together with a talented and dedicated team, Energy Skills Queensland is very confident of continuing to cement its position as an Industry Skills Body leading energy industry and government engagement on education and training, skills development and labour market issues.

# AUDITED FINANCIAL STATEMENTS 2011/2012

## INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
<b>Income</b>			
DET operating grants		675,000	600,000
Profiling income		297,092	435,327
PPP management fees		196,000	260,000
PPP brokerage fees		1,152,502	628,589
CSG management fees		100,000	100,000
CSG brokerage fees		44,580	11,153
SIF management fee		104,000	-
Project management and consultancy fee - QWSS Program		1,440,569	364,913
Project management and consultancy fee - other		1,297,194	1,117,025
Sundry income		6,456	2,606
Interest received		296,263	392,853
Industry seminars		35,168	28,923
General sponsorships		85,773	29,509
Audit fees received		4,900	4,200
		<u>5,735,496</u>	<u>3,975,097</u>
<b>Expenditure</b>			
Advertising		68,334	14,924
Audit and accounting fees		10,707	22,242
Computer expenses		9,922	19,694
Conference expenses		40,678	60,795
Project & consultants expenses		1,585,863	786,422
Depreciation		104,487	71,422
Event expenses		66,585	34,163
Insurances - general		7,547	4,947
Marketing and research		15,121	16,441
Office expenses		32,401	14,702
Postage		12,664	4,310
Printing and stationery		48,033	46,978
Rent		113,985	102,170
Safety, workplace health expenses		39,558	-
Salaries		1,964,113	1,540,519
Salary related oncosts		465,409	283,893
Staff recruitment		20,832	51,712
Staff related expenses		20,845	20,087
Telephone		55,592	37,928
Travel expenses		186,343	76,746
Other expenses	2	250,993	57,970
		<u>5,120,012</u>	<u>3,268,065</u>
<b>Operating (Deficit) Surplus</b>		<u>615,484</u>	<u>707,032</u>
Accumulated Surplus (Deficit) at the beginning of the financial year		2,125,385	1,418,353
<b>Accumulated Surplus (Deficit) at the end of the financial year</b>		<u><u>2,740,869</u></u>	<u><u>2,125,385</u></u>

# AUDITED FINANCIAL STATEMENTS 2011/2012

## BALANCE SHEET AS AT 30 JUNE 2012

	Note	2012 \$	2011 \$
<b>Current Assets</b>			
Cash and cash equivalents	3	7,914,717	11,524,882
Trade and other receivables	4	<u>854,926</u>	<u>593,132</u>
<b>Total Current Assets</b>		8,769,643	12,118,014
<b>Non-Current Assets</b>			
Land, building and improvements	5	2,300,688	-
Property, plant and equipment	5	<u>154,185</u>	<u>184,007</u>
<b>Total Non-Current Assets</b>		2,454,873	184,007
<b>Total Assets</b>		<u>11,224,516</u>	<u>12,302,021</u>
<b>Current Liabilities</b>			
Trade and other payables	6	888,816	1,318,346
Deferred revenue	7	398,665	308,000
Provisions	8	117,402	52,433
Unacquitted grant fund	9	<u>7,078,763</u>	<u>8,497,857</u>
<b>Total Current Liabilities</b>		8,483,647	10,176,636
<b>Total Liabilities</b>		<u>8,483,647</u>	<u>10,176,636</u>
<b>Net Assets</b>		<u>2,740,869</u>	<u>2,125,385</u>
<b>Equity</b>			
Accumulated funds	10	615,484	2,125,385
<b>Total Equity</b>		<u>2,740,869</u>	<u>2,125,385</u>

# AUDITED FINANCIAL STATEMENTS 2011/2012

## NOTES TO THE FINANCIAL STATEMENT AS AT 30 JUNE 2012

### Note 1: Statement of Significant Accounting Policies

This financial report is a special purpose financial report prepared in order to satisfy the financial report preparation requirements of the Associations Incorporations Act Queensland. The committee has determined that the association is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the Associations Incorporation Act Queensland and the following Australian Accounting Standards:

- AASB 110: Events Occurring after Reporting Date
- AASB 1008: Leases
- AASB 1031: Materiality

No other applicable Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

#### Income Tax

The Association is exempt from the payment of Income Tax under the provision of Division 50 of the Income Tax Act.

#### Government Subsidies

Subsidies are received from both the Commonwealth and State Government. Subsidies received for specific capital items are disclosed separately in the Income Statement.

Other subsidies being for operating expenses are deferred as a liability until the services for which they were received are performed, at which time they are transferred to revenue.

Subsidies received for Third Party Funding are deferred as a liability until the services for which they were received are performed, at which time they are distributed to the third party and a brokerage fee is recognised as revenue.

#### Fixed Assets

Motor vehicles, computers, office equipment, furniture and fittings and leasehold improvements are carried at cost, less, where applicable, any accumulated depreciation.

The depreciable amount of all fixed assets are depreciated over their useful lives of the assets commencing from the time the asset is held

ready for use. The assets are depreciated at the following rates:

- Motor Vehicle - 6 2/3 years calculated under the diminishing value basis
- Plant & Equipment - 3-10 years calculated under the diminishing value basis
- Software - 2 1/2 years calculated under the straight line basis

#### Leased Assets

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

#### Operating Leases

The minimum lease payments of operating leases, where the lessor effectively remains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight line basis.

#### Finance Leases

Leases which effectively transfer substantially all of the risks and benefits incidental to ownership of the leased item to the group are capitalised at the present value of the minimum lease payments and disclosed as property, plant and equipment under lease.

A lease liability of equal value is also recognised.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the assets and the lease term. Minimum lease payments are allocated between interest expense and reduction of the lease liability with the interest expense calculated using the interest rate implicit in the lease and charged directly to the balance sheet.

#### Employee Entitlements

Provision is made for employee entitlement benefits accumulating as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave.

Liabilities arising in respect of wages and salaries, annual leave and other employee entitlements expected to be settled within twelve months of the reporting date are measured at their nominal amounts. All other employee entitlements are measured at their present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

#### Maintenance and Repairs

Maintenance, repair costs and minor renewals are charged as expenses as incurred.

### Note 2: Other Expenses

Bad debts	1,502	-
Bank charges	76	1,651
Bank charges	2,547	-
Body corporate fees	18,415	-
Cleaning / rubbish removal	-	2,091
Donations & gifts (charitable)	8,590	6,402
Electricity expenses	1,257	-
Entertainment expenses	36,275	13,706
FBT (notional charge)	8,704	6,117
Hire - general	8,627	-
Income protection	1,007	-
Lease - photocopier	9,393	3,307
Legal	1,933	-
Master card holding expense	-	5,468
Meeting expenses general	648	3,579
Minor capital expenses < \$300	-	2,723
Motor vehicle expenses	3,200	3,713
Other project expense	99,658	-
Sponsorships - business	26,450	4,696
Subscriptions & memberships	11,343	4,516
Uniforms - staff	11,367	-
	250,993	57,970

### Note 3: Cash and Cash Equivalents

Cash management account	421,118	4,236,755
Electronic clearing account	(1,395)	-
Term deposits	-	-
Cash deposit account	3,931,237	3,760,467
Business online saver	3,563,757	3,527,660
	7,914,717	11,524,882

### Note 4 : Trade and Other Receivables

#### Current:

Trade debtors	734,673	506,792
Trust distributions receivable	19,591	29,275
Other	100,663	57,064
	854,926	593,132

**Note 5: Non-Current Assets****Land, Building and Improvements:**

	2012 \$	2011 \$
Land and building	1,924,011	-
Building improvements	376,677	-
Deduct provision for depreciation	-	-
	<u>2,300,688</u>	<u>-</u>

**Property, Plant and Equipment:**

Office equipment	147,031	123,709
Plant and equipment	73,492	64,812
Deduct provision for depreciation	<u>73,539</u>	<u>58,897</u>

**Motor Vehicles:**

Deduct provision for depreciation	<u>25,760</u>	<u>25,760</u>
	<u>19,971</u>	<u>18,283</u>
	<u>5,790</u>	<u>7,478</u>

**Software:**

Deduct provision for depreciation	<u>207,950</u>	<u>174,248</u>
	<u>133,095</u>	<u>56,616</u>
	<u>74,855</u>	<u>117,632</u>

**Total Property, Plant and Equipment****TOTAL NON-CURRENT ASSETS****Movement in non-current assets:****Land and Building**

Balance at beginning of the year	-	-
Additions	2,300,688	-
Depreciation expense	-	-
	<u>2,300,688</u>	<u>-</u>

**Office Equipment**

Balance at beginning of the year	58,897	57,184
Additions	23,322	22,124
Depreciation expense	<u>(8,680)</u>	<u>(20,411)</u>
	<u>73,539</u>	<u>58,897</u>

**Motor Vehicles**

Balance at beginning of the year	7,478	9,648
Depreciation expense	<u>(1,688)</u>	<u>(2,170)</u>
	<u>5,790</u>	<u>7,478</u>

**Software**

Balance at beginning of the year	117,632	98,322
Additions	33,070	68,153
Amortisation	<u>(75,847)</u>	<u>(48,843)</u>
	<u>74,855</u>	<u>117,632</u>

**Note 6: Trade and Other Payables****Current:**

Trade creditors	256,727	427,295
Goods and services tax payable	(23,115)	65,802
Superannuation payable	64,181	31,219
PAYG	47,882	49,086
Accrued expenses and other creditors	<u>543,141</u>	<u>744,942</u>
	<u>888,816</u>	<u>1,318,346</u>

**Note 7: Deferred Revenue****Current:**

Productivity Places Program management fee	2,000	198,000
e-Profiling	282,665	-
Strategy Investment Fund management fee	104,000	-
CSG/LNG management fee	<u>10,000</u>	<u>110,000</u>
	<u>398,665</u>	<u>308,000</u>

**Note 8: Provisions****Current:**

Annual leave	103,419	45,642
Other	13,984	6,791
	<u>117,402</u>	<u>52,433</u>

**Note 9: Unacquitted Grant Funds**

Operating grant received	-	800,000
Less expended	-	400,000
	<u>-</u>	<u>400,000</u>

**Centre of Excellence grant**

Less expended	4,467,000	4,467,000
	<u>1,354,600</u>	<u>1,354,600</u>
	<u>3,112,400</u>	<u>3,112,400</u>

**Total Operating Grants Unacquitted**

	<u><b>3,112,400</b></u>	<u><b>3,512,400</b></u>
DET Skilling Solutions	665,000	460,000
Less expended	<u>665,000</u>	<u>421,318</u>
	<u>-</u>	<u>38,682</u>

**Skills Formation Strategy CSG/LNG grant received**

Less expended	240,000	240,000
	<u>240,000</u>	<u>195,000</u>
	<u>-</u>	<u>45,000</u>

**Low Carbon Economy grant received**

Less expended	220,000	130,000
	<u>220,000</u>	<u>110,000</u>
	<u>-</u>	<u>20,000</u>

**CSG Drilling Skills Program**

Less expended	304,500	150,000
	<u>254,351</u>	<u>102,372</u>
	<u>50,149</u>	<u>47,628</u>

**Note 9: Unacquitted Funds (Continued)**

	2012 \$	2011 \$
Gladstone Workforce Skilling Program	1,187,300	543,200
Less expended	873,565	349,913
	<u>313,735</u>	<u>193,287</u>
Bundaberg Workforce Skilling Program	857,614	-
Less expended	660,757	-
	<u>196,857</u>	<u>-</u>
Fraser Coast Workforce Skilling Program	98,182	-
Less expended	91,383	-
	<u>6,799</u>	<u>-</u>
Southern Wide Bay Burnett Workforce Skilling Program	195,205	-
Less expended	114,792	-
	<u>80,413</u>	<u>-</u>
Ipswich Logan Workforce Skilling Program	160,000	-
Less expended	28,585	-
	<u>131,415</u>	<u>-</u>
Generic Induction Program	70,000	70,000
Less expended	70,000	26,249
	<u>-</u>	<u>43,751</u>
QLD Telecommunications New Entrant Program	190,000	133,000
Less expended	190,000	-
	<u>-</u>	<u>133,000</u>
<b>Total Project Grants Unacquitted</b>	<b><u>779,367</u></b>	<b><u>521,347</u></b>
<b>Third Party Training Funds:</b>		
Productivity Placement Program Training Fund	12,541,725	9,553,931
Less expended	10,440,442	5,685,078
	<u>2,101,284</u>	<u>3,868,852</u>
CSG-LNG Training Funds	743,875	743,875
Less expended	225,848	148,618
	<u>518,028</u>	<u>595,258</u>
Strategy Investment Fund	836,268	743,875
Less expended	268,583	148,618
	<u>567,685</u>	<u>595,258</u>
<b>Total Third Party Training Funding Unacquitted</b>	<b><u>3,186,997</u></b>	<b><u>4,464,110</u></b>
<b>Total Unacquitted Grant Funds</b>	<b><u>7,078,763</u></b>	<b><u>8,497,857</u></b>

**Note 10: Accumulated Funds**

Brought forward as 1 July 2011	2,125,385	1,418,353
(Deficit)/Surplus for the Year	615,484	707,032
	<u>2,740,869</u>	<u>2,125,385</u>
Carried forward as 30 June 2012		

**Note 11: Commitments and Liabilities****Operating lease commitments**

Operating lease commitments are payable:

Within one year	5,846	5,846
One year or later but no later than five years	16,077	21,923
Commitments not recognised in the financial statements	<u>21,923</u>	<u>27,769</u>

**Note 13: Events Subsequent to Reporting Date**

The management committee are not aware of any contingent liabilities that are likely to have a material effect on the results of the association as disclosed in the financial statements.

**Statement by Members of the Management Committee**

The management committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the management committee the financial report:

- presents a true and fair view of the financial position of Energy Skills Queensland Incorporated as at 30 June, 2012, and its performance for the year ended on that date.
- at the date of this statement, there are reasonable grounds to believe that Energy Skills Queensland Incorporated will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board of the Management Committee and is signed for and on their behalf by:

Chairperson:

  
 .....  
 Peter Price

Treasurer:

  
 .....  
 Edwin De Prinse

Date: 25 October 2012

# INDEPENDENT AUDIT REPORT TO THE MEMBERS OF ENERGY SKILLS QLD INC

## Report on the Financial Report

We have audited the financial report, being a special purpose financial report, of Energy Skills Queensland Inc. which comprises the income statement, the balance sheet as at 30 June 2012, the statement of changes in equity, a summary of significant accounting policies, other explanatory notes and the statement by members of the committee.

### Committee’s Responsibility for the Financial Report

The Management Committee is responsible for the preparation and fair presentation of the financial report and has determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the Associations Incorporation Act Queensland and is appropriate to meet the needs of the members.

The Management Committee’s responsibility also includes such internal control as the Management Committee determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

### Auditor’s Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Audit Opinion

In our opinion, the financial report presents fairly in all material respects the financial position of Energy Skills Queensland Inc. as at 30 June 2012 and the results of its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of the Associations Incorporation Act Queensland.

### Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Energy Skills Queensland Inc. to meet the requirements of the Associations Incorporation Act Queensland. As a result, the financial report may not be suitable for another purpose.

Lawler Hacketts Audit



Partner: L J Murphy

25 October 2012

### **Energy Skills Queensland**

70 Sylvan Road  
Toowong Queensland 4066  
Australia

**Phone** 07 3721 8800

**Fax** 07 3870 9291

**Email** [esqreception@energyskillsqld.com.au](mailto:esqreception@energyskillsqld.com.au)

### **Gladstone Office**

Level 3, 72 Goondoon Street  
Gladstone Queensland 4680

**Phone** 07 4972 5977

Regional representatives based in  
Bundaberg, Gympie and Toowoomba

**[www.energyskillsqld.com.au](http://www.energyskillsqld.com.au)**