



2014 2015 Annual Report

 **energyskills**
queensland

2014 2015 Annual Report

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

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Chairperson's comments



Peter Price

Energy Skills Queensland is the Industry Skills Body established to deliver specialised workforce planning and development services to meet the needs of Queensland's energy and

telecommunications sectors. Energy Skills Queensland also supports the mining sector through a range of complementary services. Energy Skills Queensland remains committed to meeting and exceeding the expectations of our members and engaging with government on education and training, skills development and labour market issues.


The 2014/15 financial year was a challenging year for a number of reasons. Macroeconomic conditions impacted our members, particularly in the CSG/LNG, mining and electricity supply sectors. Secondly, after seven years of excellent service to the organisation, our long-term Chief Executive Officer, Glenn Porter, departed Energy Skills Queensland. It is pleasing to know that Glenn has remained within the energy sector. Despite these two factors, there have been a number of highlights from the year.

Energy Skills Queensland's workforce development programmes have been a great success, providing skills-based training programmes and initiatives to the gas and mining industries. We are always looking to adapt and improve our services which led to the update of the Generic Induction programme for the mining industry. The development of the Drilling and Completions General Induction and SkillPASS – the industry competency management system – was also a success, and a clear result of collaboration

with the gas industry. This has further cemented Energy Skills Queensland's position as a valuable knowledge source on behavioural safety, risk thinking and communication. Above all, these initiatives help keep our workers safe. Further collaboration has commenced with the Queensland Natural Gas industry on an industry-wide induction which is due to commence in early 2016.

We upheld our commitment to being the voice, and the only workforce planning team, operating across the diverse energy landscape. In electrotechnology, we produced Australia's first discussion paper highlighting the workforce implications of smarter technology. Praised for its timely identification of industry-wide skilling priorities, this piece has since become the platform for a more detailed workforce planning road map. From a telecommunications perspective, Energy Skills Queensland hosted an Innovation and Business Skills Australia workshop to enable industry stakeholders to provide comment and feedback on the ICT10 Integrated Telecommunications training package review. This forum was attended by a range of industry stakeholders including Thiess, Downer Group, Conquest Training and Skills Tech.

I was again delighted to have been involved with the ongoing programmes through which Energy Skills Queensland provides direct training and skilling support to hundreds of Queensland community groups including Aboriginal and Torres Strait Islanders. Initiatives like the Queensland Workforce Skilling Strategy and Vocational Training and Employment Centre provide a framework for industry and communities to work together to maximise the potential for all Queenslanders to have access to training and long-term employment. Our encouraging employment success rate of 63% in these programmes confirm the effectiveness of our work in this area.



We continue to receive excellent brand recognition and industry regard. Throughout the year, Energy Skills Queensland continued to build its reputation as a highly-respected organisation at the forefront of developing solutions to help industry plan and develop their workforces through successful industry engagement forums including Industry Leader Groups, Industry Training Groups, Trained to Win, HR Leaders Forum and the Annual Conference.

At the completion of the 2014/15 financial year, Penelope Twemlow was appointed as the new Chief Executive Officer of Energy Skills Queensland. Penelope is eminently qualified and experienced to assist the mining, energy and telecommunications industries build a skilled workforce. As fresh eyes to Energy Skills Queensland, Penelope will review the organisation's objectives and current standing within the market and make the requisite changes to ensure we maintain our service consistency to the energy industry.

Looking ahead to the 2015/16 period, a key focus will be developing and presenting the organisation's Strategic Plan for the three year period commencing in January 2016. This, combined with technological and market changes, will have a significant impact on Energy Skills Queensland's operating environment. Energy Skills Queensland's staff are ready for these challenges and will continue to strive to deliver benefits to the industry and its stakeholders.

You can be confident that regardless of where you operate throughout the state, Energy Skills Queensland is dedicated to providing services and programmes that suit your needs, and those of our world-class energy industry. We will continue to find ways to better support our stakeholders, ensuring value-for-money and efficiency.

Chief Executive Officer's comments



Penelope Twemlow

In an environment of economic change, Energy Skills Queensland has delivered on programme and service improvement commitments while

maintaining strong operational performance and standards delivery. Our disciplined approach saw us maintain our dual focus on striving to improve our performance in the areas of operational delivery and industry engagement while positioning the organisation to be self-sustaining in the future.

Financial performance

Our financial performance was testament to our disciplined approach throughout the year. As a not-for-profit association, we need to deliver solid customer and industry service outcomes while ensuring value-for-money. This ensures we remain in a good financial position to deliver positive industry outcomes for the year ahead. We remain committed to ongoing service optimisation to ensure we stay true to our strategy and the energy industry. At the same time, steps will only be taken when they are judged to be in the best interest of the organisation and the industry.

Business efficiencies

Our focus on delivering improved efficiencies in operating costs was realised during the year through the successful completion of our business restructuring

to reflect a more streamlined approach to the delivery of services to the Queensland energy industries.

Changing industries

The industries we represent are changing their behaviours and appetites and taking up a range of collaborative and innovative programmes to mitigate the impact of lower commodity prices. Coupled with this is the softening of workforce patterns which have seen changes in the number of workers in our industries. These factors continue to have wide-ranging implications for the way we provide our products and services, particularly in the areas of mining and gas. We continue to monitor developments and take action in these areas to ensure we can meet industries' future expectations.

Engaging our customers

We have engaged with our industry stakeholders during the year to understand their expectations and incorporate these, as appropriate, into our business decisions. This activity feeds into our 2016 - 2018 Strategic Plan preparation with customer and industry input imperative to ensure we balance the needs to adequately invest in our industries whilst ensuring we maintain a good service to our customers. By achieving this, we will progress towards a more collaborative and sustainable representation model that is consistent with informed stakeholder expectations.

Outlook

Against a backdrop of increasing internal and external industry pressures, in 2015/16 we will continue to progress our strategy of being for industry, by industry. We will ensure the Queensland energy workforces continue to be the right size and appropriately skilled and trained to deal with future industry requirements. Our financial results must continue to provide good returns to ensure our commercial sustainability and our service adequately addresses our customers' needs.

I thank all staff for their strong efforts in 2014/15. I look forward to working with you in the coming year as we continue to deliver exceptional service to the Queensland energy, telecommunications and mining industries.

In an environment of economic change, Energy Skills Queensland has delivered on programme improvement commitments while maintaining strong operational performance and standards delivery.

About us

Energy Skills Queensland is the leading, independent, not-for-profit organisation providing innovative solutions to enable a skilled and safe energy industry.



Supporting the electricity, oil and gas, mining and telecommunications sectors, Energy Skills Queensland engages, researches and develops products and services that align to the current and future needs of our stakeholders. We support industry, government, training organisations and other stakeholder groups through:

- The provision of industry intelligence, including workforce planning, research and analysis
- Sourcing funding to deliver skills development and employment programmes
- Educational design and programme development
- Facilitation of engagement activities such as industry leader and training groups.

Energy Skills Queensland prides itself on delivering the following benefits to the people we work with:

- Innovative and agile solutions that add value
- Deep technical knowledge and industry subject matter expertise
- Networking and collaboration opportunities.

Purpose

To provide the Queensland energy, mining, and telecommunication industries with the information and skills it needs to ensure a strong and sustainable future.

Vision

To provide a skilled workforce that meets the evolving needs of Queensland's energy, mining and telecommunication industries.

Mission

As a recognised industry leader, our mission is to promote the Queensland energy, mining and telecommunications industries as a career of first choice, encourage investment in skills and training and increase the number of skilled workers in the industry.

Strategic approach

Energy Skills Queensland has developed a new strategic approach to the business, aligned with industry requirements and delivering skilling and training needs to the Queensland energy industry.

The changing skills landscape and current reform agenda has implications for the energy industry. Energy Skills Queensland has an obligation to work closely with all levels of government and industry to deliver seamless, complimentary and targeted services by leveraging investment and avoiding duplication of effort.

At Energy Skills Queensland, we are looking ahead and planning beyond the next 12 months so that we can create a strong and sustainable future for the energy industry. We are positioning ourselves as a thought leader for industry. Not only are we the industry go-to for training and skilling advice and development, we are also a centre of expertise for research and data

analysis. With our in-house research team, we can identify industry trends to help shape future planning and policy, providing our stakeholders with unique insights on the future of the energy industries.

Energy Skills Queensland will continue to target our key areas: Engage, Research and Develop energy futures. Working closely with industry and our key partners, we will streamline delivery of value-add programmes, events and seminars across Queensland.

Energy Skills Queensland is committed to providing the right skills in the right place at the right time. Investing in training improves competitive advantage, increases productivity and will help ensure that Queensland is well positioned to adapt to current and future market forces.

Together, we are building stronger futures in the energy industries.



Industry structure



Energy Skills Queensland services the following industries and 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).

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.

Electricity generation

- Generation of electricity.

Sustainable and renewable energy

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

Gas

Gas transmission and distribution

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

Mining

CSG to LNG

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

CSG drilling and completions

- Extraction of coal seam gas and well servicing.

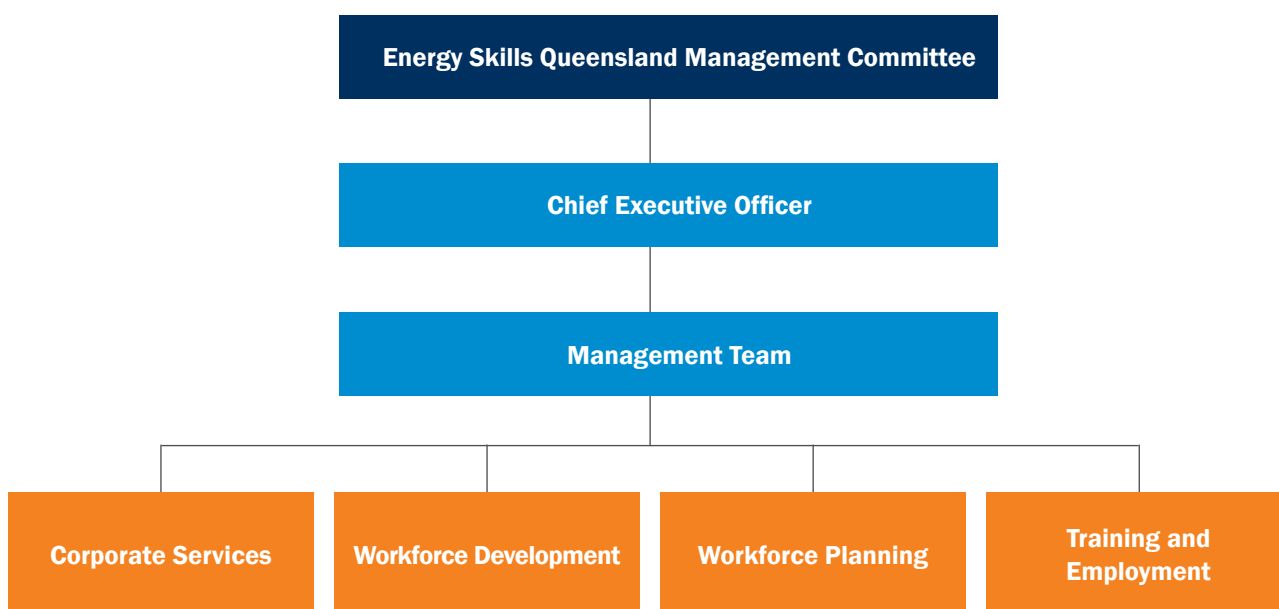
Telecommunications

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



Corporate governance

Framework and organisational structure



During 2014/15, we restructured and reorganised our workforce to ensure business efficiencies.

Energy Skills Queensland Management Committee

Energy Skills Queensland is an incorporated Association. The Management Committee has reporting and continuous disclosure obligations under the Associations Incorporation Act 1981.

Management structure

The Management Committee has delegated certain aspects of its authority to the Chief Executive Officer through a control framework to operate the business on a day-to-day basis. The Chief Executive Officer and Managers from each division comprise the Management Team.

The Management Team implements the Management Committee's strategies and policies through the Delegation of Authority Framework and Business Plan.

Management Committee meeting dates

Energy Skills Queensland Management Committee meetings were held on the following dates during the 2014/15 financial year:

- 28 August 2014
- 23 October 2014
- 11 December 2014
- 24 February 2015
- 28 April 2015

Management Committee



Peter Price
Chairman

Peter Price was appointed as a non-executive Director and Chairperson of the Energy Skills Queensland Management Committee in September 2007. Peter is the Executive General Manager Asset Management for Energex.



Malcolm Richards
Director

Malcolm Richards was appointed as a non-executive Director of the Energy Skills Queensland Management Committee in September 2007. Malcolm is the Chief Executive Officer for Master Electricians Australia.



Edwin de Prinse
Director

Edwin de Prinse was appointed as a non-executive Director of the Energy Skills Queensland Management Committee in December 2008. Edwin De Prinse is the General Manager: Transmission Services for APA Group.



Dick Williams
Director

Dick Williams was appointed as a non-executive Director of the Energy Skills Queensland Management Committee in September 2007. Dick is the ALP State President of the Electrical Trades Union.



Peter Billing
Director

Peter Billing was appointed as a non-executive Director of the Energy Skills Queensland Management Committee in December 2009. Peter is the Executive General Manager Operations for Ergon Energy.



Marina Williams
Director

Marina Williams was appointed as a non-executive Director of the Energy Skills Queensland Management Committee in December 2013. Marina is the National Vice President for the Australian Workers' Union.



Glenn Porter / Andrew Jacovides
Secretary

Glenn Porter was appointed as the Secretary to the Energy Skills Queensland Management Committee in March 2008 and was replaced by Andrew Jacovides in May 2015.

The Management Committee have provided guidance through this challenging time for the organisation and their experience in the industries we operate has been invaluable.

Workforce planning

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

01 Examine

Examine the current and future workforce to identify skills needs and associated risks.

02 Conduct

Conduct workforce analysis for both supply and demand on an industry-wide and enterprise basis.

03 Develop and communicate

Develop and communicate strategies to address skills needs and associated risks to meet workforce requirements.





Key achievements

Energy Skills Queensland assists the energy, mining and telecommunications industries to develop their workforces to meet future demand. In the 2014/15 financial year, Energy Skills Queensland completed several highly successful industry and government funded research and workforce planning projects to identify future skilling issues and shortages. These include:

- Discussion paper 'A Changing Electricity Industry, A Changing Workforce', exploring skilling implications for the rapidly changing energy sector
- Provision of industry intelligence for the Utilities, Telecommunications and Mining sectors in Queensland to the Ministerial Industry Commission
- Income Protection Research for the Building, Construction and Electrical Sectors in Australia
- Provision of Queensland data on electrotechnology training related activities to E-Oz for inclusion in their Annual Skills Plan
- Partnership with Dr. Rosyln Cameron, Research Fellow, Curtin School of Management
- Facilitation of the Queensland Workforce Planning Community of Practice forum.




Workforce planning outlook

Energy Skills Queensland will complete several important industry and enterprise based workforce planning projects into 2016. The ongoing research into a changing electricity environment, and the impact this will have on the skills required, is a key focus area for Energy Skills Queensland in 2015/16. The research projects outlined below will determine existing skills held by electricians, future workforce requirements for the electricity industry, training sector gaps, and roadmap requirements for industry, government and training providers to build a skilled, productive and safe workforce.

The research has four key components:

1. **Electrical Contracting Heartbeat (Supply):** This project will canvass the existing electrical workforce to determine the current profile of workers. This will form the basis of a long-term industry skills forecast of the active electrical workforce.
2. **Electricity Industry Future workforce needs (Demand):** This project will determine the future skills needs for the electricity generation and supply sectors and the electrical contractor workforce to determine the future workforce skills requirements for the 'new world' electricity sector.
3. **Education and Training Gap Analysis:** This project will map the future education and training requirements against current offerings to determine where the gaps are for the electricity industry.
4. **Workforce Action Plan:** The final project will incorporate all three previous sets of research and will outline an action plan for all stakeholders, including government, industry and training providers.

With the change of government in early 2015, Energy Skills Queensland continues to work with the Department of Education and Training in an industry advisory role on skills and training requirements in Queensland.



Industry skills report 2014/15

In late 2014, Energy Skills Queensland collected workforce intelligence from stakeholders in the state's energy and telecommunications industries. Combining this with in-house research and industry opinion highlights the key trends impacting the industry, and the effect this is having on skills.

The energy and telecommunications industries continue to face challenges. The decline in the price of both gas and coal continues to place downward pressure on project expansion in Queensland. This clearly reduces the short-term demand for labour and skills. Decreasing electricity demand, and the need for network operators to scope non-network alternatives for power distribution, also provides new workforce challenges. A mid-project change for the NBN toward a mixed technology model also shifts the skills required to deliver our national telecommunications network.

Disruptive technologies have also arrived. Energy storage entering the electricity market, the automation of mining operations, intelligent grids

and advanced gas recovery techniques are only some examples. These provide unprecedented skilling and training challenges, especially with profit margins tightening.

Specific skills will be in demand as these industries evolve. A far from exhaustive list of occupations and capabilities likely to be critical over the next five years include:

- Electricians with instrumentation, automation, renewable, storage and/or telecommunications competencies
- Telecommunications Technicians, Engineers and Network Planners
- Power Systems Engineers with digital networks and telecommunications competencies
- Senior Leaders and Managers technologically savvy with 'disruption ready' vision
- Science, technology, engineering and mathematics qualified workers
- Specialists in computing, systems and diagnosis
- Upskilling to install, service and maintain new technologies
- Data analysis and interpretation
- IT and operational technology
- Soft-skills to communicate and collaborate in more complex operational environments
- Specialised Vocational Education and Training trainers
- Control room operators.

Industry engagement

2014 Annual Conference

In 2014, Energy Skills Queensland's Annual Conference tackled the timely theme of Skilling for Productivity. The conference was attended by over 100 delegates and hosted key note speakers from the mining, energy, telecommunications and training sectors. These informative sessions included presentations from stakeholders like the Australian Government Department of Industry and the Energy Networks Association. An engaging panel session on the skilling impacts of a Queensland wide drive for productivity rounded out the day.

In 2014, the Annual Conference included well respected economists and futurists to provide delegates and industry stakeholders a broader context and an evidence-base required to plan for the long-term. The Annual Conference received great feedback as a positive, progressive and innovative platform for discussion about the issues most relevant to the industry. It also provided a prime opportunity to network with like-minded professionals, and delegates value the quality presentations delivered from industry professionals from a variety of sectors with a unique training and skilling focus.



Trained to Win

Energy Skills Queensland hosted its 'Trained to Win' breakfast forum. Encompassing the Training on the sporting, battle and gas fields, the guest speaker John Buchanan, former Australian cricket coach discussed the big issues in training and competency assurance.

An expert panel, consisting of internationally recognised experts discussed how the big issues in training and competency assurance, how they impact the energy industry and how delegates could harness their tips to enhance their team.

Interactive workshops and industry leader groups for drilling and well services and electrotechnology sectors followed, co-facilitated by these expert panel members and Energy Skills Queensland professionals.

Over 100 delegates were in attendance at Trained to Win. Feedback received indicates the forum was highly valuable to our stakeholders. John Buchanan was a big draw-card and delegates found his presentation highly insightful, while the Panel session was favoured for its more practical skilling strategies in a rapidly changing economy. Feedback also indicates that all delegates would recommend others attend a similar event in future.

120 delegates

Excellent speakers providing insights to successful leadership, personal characteristics and teamwork

Industry engagement

Energy industry research launch

More than 140 electricity supply industry representatives and stakeholders joined Energy Skills Queensland at the 'A Changing Electricity Industry, A Changing Workforce 2015' Corporate Lunch. This event was held to showcase Energy Skills Queensland's discussion paper exploring skilling implications for the rapidly changing energy sector. Workforce Planning Manager, Anthea Middleton, launched the paper and was joined by the Hon Yvette D'ath, Attorney-General and Minister for Justice and Minister for Training and Skills and Energex Chief Executive Officer, Terry Effeney.

This research launch was highly successful and sold out two weeks in advance. Post-event feedback revealed that all respondents were satisfied with the event and 97 percent would recommend others attend a similar event in the future.

HR leaders forum

In 2015, Energy Skills Queensland convened its first HR leaders forum and was attended by a select group of 10 HR managers from the drilling and well servicing sector across Australia. This forum provided these professionals the opportunity to identify metrics that will enhance and align their HR strategies to directly support business growth, as well as a valuable opportunity to network with their fellow HR professionals operating in the industry. The theme for this first forum was The Top 15 HR Metrics You Need to Know in 2015.



Picture 1: The Hon Yvette D'ath, Attorney-General and Minister for Justice and Minister for Training and Skills, Energy Skills Queensland Chief Executive Officer, Glenn Porter and Energex Executive General Manager for Asset Management and Energy Skills Queensland Chairperson, Peter Price.

Picture 2: ALP State President of the Electrical Trades Union, Dick Williams and Energex Chief Executive Officer, Terry Effeney.

Workforce development

Drilling and Completions General Induction

The highly successful Drilling and Completions General Induction is an initiative of the Rig Site Safety Working Group within Safer Together – the industry safety forum for operators and contractors in the coal seam gas to liquefied natural gas sector.

Seamlessly complementing corporate inductions, the Drilling and Completions General Induction is a one day programme which explores the ways in which workers in the drilling and completions sector think, feel and behave in response to risk.

The programme has been successfully completed by camp operations, construction, support services and well servicing individuals and has received ongoing positive reports from industry.

**DRILLING AND
COMPLETIONS**
GENERAL
INDUCTION

Workforce development

Generic Induction

The Generic Induction is an approved safety programme designed and developed through consultation with industry, the Mines Inspectorate, registered training organisations, contractors and the Construction, Forestry, Mining and Energy Union. Participants who undertake the Generic Induction gain the requisite knowledge and skills identified by industry as being of paramount importance when working on-site.

The Generic Induction ensures generic safety procedures, information and obligations, applicable on all types of work-sites, are provided to workers prior to attending site. Upon arrival at site, workers are required to complete further inductions to ensure site specific information and obligations are understood.

Energy Skills Queensland undertook a review with identified stakeholders in early 2015 and subsequently redesigned elements of the programme to reflect industry requirements and ensure interoperability across all industries. Further review and amendments of the Generic Induction programme are planned as part of the continuous improvement and quality assurance process associated with the programme.

SkillPASS

SkillPASS is an industry competency management system for verifying the competency of workers in the energy, resources and other high risk industries. It enables workers to provide proof of competency to comply with company, project and regulatory requirements with the aim to minimise the risk of untrained personnel carrying out any work. This system is simple: one SkillPASS card contains proof of competency to work in multiple roles across multiple work-sites. Although still in its early stages, the system is gaining traction from industry with some organisations requiring it as a mandatory proof to work on site.

National passport for the electricity supply industry

The National Electricity Supply Industry Passport has been widely accepted across Australia with 18 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 connecting to the database.



Workforce development outlook

In the next financial year, the Workforce Development team will focus on transforming the quality in the vocational education and training sector as well as the programmes Energy Skills Queensland manages. The team will continue to provide insight and expertise with training packages, ensuring technological advances and the skills associated with them are sufficiently captured and developed for the future.

Collaboration with Safer Together will continue in order to develop and implement the Queensland Natural Gas Exploration and Production Industry Safety Induction. Due for roll-out in early 2016, this programme will be the central mechanism to train new employees to the industry as well as measure competency of all employees from a behavioural safety and risk perspective.

Energy Skills Queensland is committed to ensuring excellence in training delivery and safety within the coal mining sector. As part of this commitment and to address legislative and regulatory requirements, the development of a Generic Induction Refresher Programme will be finalised. This programme will allow workers in the resources industry/mining sector to refresh the knowledge and skills necessary to enable them to continue to identify hazards and manage and mitigate risk effectively in their workplace. This programme is due for commencement in early 2016.

Training and employment programmes

Indigenous Funding Pool

With funding assistance through the Department of Education and Training, Energy Skills Queensland has facilitated training to participants in the Indigenous Funding Pool Programme. The objective of the Programme was to train 150 Aboriginal and Torres Strait Islander people in Trade Assistant, Drilling and Resources and Infrastructure, and Traffic Control in the Brisbane, Cherbourg and Gladstone regions. The programmes were structured to provide Aboriginal and Torres Strait Islander people with an opportunity to participate in a holistic training project, culminating in employment.

The Indigenous Funding Pool Programme was delivered under Energy Skills Queensland's Queensland Workforce Skilling Strategy: a workforce development, training and employment strategy to assist local people into job opportunities in the industry. Key objectives of the Programme were to:

- Examine the workforce to identify potential gaps in skills
- Consult with industry stakeholders to understand skilling challenges
- Communicate these skill shortages and challenges to industry
- Provide leadership towards achieving appropriate workforce solutions
- Initiate strategies to increase the supply of skills in identified shortage areas
- Guide industry to meet future skills demand.

The Programme provided industry-led training and pathways to sustainable employment and was designed in five phases comprising of:

1. Work ready and soft skills
2. Accredited skill set training
3. Industry engagement
4. Assistance to find job opportunities
5. Post placement support and mentoring.

The Programme was highly successful in that it trained 133 participants and achieved 77 employment outcomes through 14 separate training group intakes. To ensure key performance indicators were met, Energy Skills Queensland partnered with industry, community-based organisations and other stakeholders. The main industry supporter of the programme was the Australia Pacific Liquefied Natural Gas Project with their direct industry co-contribution towards the programme.

Energy Skills Queensland is reminded on a daily basis through good news stories that this programme has provided well needed employment opportunities for the Aboriginal and Torres Strait Islander people. Energy Skills Queensland would like to thank the Department of Education and Training and the Australia Pacific Liquefied Natural Gas Project for the opportunity to provide this programme and for assistance with funding to do so.

Vocational Training and Employment Centres

Vocational Training and Employment Centres connect Indigenous job seekers with guaranteed jobs and bring together the support services necessary to prepare job seekers for long term employment. Through the Department of the Prime Minister and Cabinet and the GenerationOne employment model, Energy Skills Queensland was offered a Vocational Training and

77
employment outcomes

INDIGENOUS FUNDING POOL

14 training groups
150 people recruited
133 people trained
77 employment outcomes

Employment Centres contract to provide 50 participants with a holistic programme that supports individuals and takes them from being unemployed to sustainable employment.

Focussing on the Central Queensland and Surat Basin areas, the project commenced in January 2015 with employment outcomes to be achieved by June 2016. The delivery of the programme will be provided under the Queensland Workforce Skilling Strategy model with post placement support to continue for participants selected for the programme for six months after commencing employment. As at June of 2015, Energy Skills Queensland had achieved 15 employment outcomes with this number increasing on a monthly basis due to the great work of the project team.

Indigenous Employment Project

Energy Skills Queensland received funding from the Australian Government as part of the Jobs, Land and Economy Program for the Indigenous Employment Project.

Energy Skills Queensland delivered pre-employment and vocational training under the Indigenous Employment Project to 110 Aboriginal and Torres Strait Islander people to prepare them for employment in Drilling, Traffic Control and Trades Assistant and Civil Construction. Participants were provided training in one or more subject areas of traffic control, trades assistant, drilling, civil construction and camp operations.

The programme was delivered using the Queensland Workforce Skilling Strategy model, teaching participants about life and employability skills. Industry consultation was sought and provided to tailor the vocational training components to regional labour market demands. Delivery was provided to 3 regions: Toowoomba and Surat Basin, Moreton Bay and Wide Bay Region and Gladstone and Bundaberg Region.



110
participants trained

SKILL CONNECTION

ISSUE #22 JULY 2015

ENERGY SKILLS QUEENSLAND

TRAINED TO WIN

Skilling in the New World

Skill Connection and eNews

Skill Connection is Energy Skills Queensland's flagship publication and is an important source of relevant energy, mining and telecommunication industries and training news. The publication is circulated to contacts via email with copies printed for distribution by Energy Skills Queensland's staff at industry events.

With a refreshed new look, the publication continues to be complemented by the Skill Connection eNews Bulletin which provides regular updates on industry and training projects, programmes and initiatives. Published via email, the eNews Bulletin includes:

- Developments on key industry projects and announcements for all sectors
- Energy Skills Queensland's programmes, services, initiatives and achievements
- Workforce planning research and workforce development project training announcements and partnerships.

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CURRENT AND FUTURE TRENDS IN AUTOMATION 38

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Incidence rate of serious workers' compensation claims for manufacturing was 18.4 per 1000 workers which was 1.6 times the rate of all industries.

The most common self-reported exposures in the manufacturing industry are exposure to adverse sounds, noise and vibration. Most workers with exposure to noise were provided with some type of control.

Over 80% of manufacturing employees reported that their employer had a work health and safety policy, and most had procedures for reporting work health and safety incidents and ill health and

Financial statements



Income

After delivering surpluses in the previous 6 financial years, Energy Skills Queensland unfortunately reports a deficit of \$385,416. This disappointing result was driven by a \$385,014 impairment write down of our intangible training assets. The environment in which Energy Skills Queensland has operated in the last 12 months has not shown considerable improvement from the environment 12 months prior.

Total revenue for the 2014/15 financial year is \$2.3 million; this figure is 45% of total revenue recognised in the 2013/14 reporting period. The \$2.8 million decline in revenue from the previous period was driven by decline in two main revenue streams: a reduction in government tendered revenue and a reduction in licence fee revenue. Energy Skills Queensland's past and current total revenue is heavily reliant on government tendered skills projects and a reduction in state government spending in this area has led to a \$1.9 million reduction in project revenue. Economic conditions affecting the mining industry has also triggered a reduction in product licence fees. The Generic Induction product revenue contracted to \$318,516 for the 2014/15 financial year, equating to 34% of the previous year's revenue.

Due to the above mentioned decline in revenue during this period, Energy Skills Queensland has turned their attention to cost management with a strong focus on cost reduction and the alignment of corporate resources. Total expenses for the 2014/15 financial year were reduced by \$2.3 million, achieved through a staffing review which resulted in the closure of two remote branches in Rockhampton and Bundaberg. Cost reductions and increased efficiencies will continue to be a focus for the management team in 2016.

Balance Sheet

Due to previous surpluses, the Energy Skills Queensland balance sheet remains in a healthy position. Assets totalling \$6.2 million and liabilities totalling \$3.4 million gives Energy Skills Queensland an equity position of \$2.7 million for the 2014/15 financial year. This strong equity position provides the organisation a buffer to continue its operations while allowing time to restructure for the future.

Energy Skills Queensland's strong cash and cash equivalents of \$3.2 million provides a safeguard for the organisation. This cash position is a reflection of the risk adverse nature of Energy Skills Queensland's current business strategy, mitigating the need for unnecessary debt from a financial institution.

Energy Skills Queensland has moved into development of training resources so capital has been directed into building of intangible assets. As part of the Energy Skills Queensland's yearly review of projections, the five year cash flow forecast was reviewed for all organisational intangible assets, taking into account changes over the past 12 months. The result of the exercise revealed that Energy Skills Queensland has over capitalised its intangible assets. As such, an impairment of \$385,416 was posted in the 2014/15 financial year to ensure a fair value of the asset was reflected in the balance sheet.

Energy Skills Queensland has retained its commercial property in Toowong which serves a dual benefit for the organisation. The investment in the commercial property serves a long term capital investment as well as an owner occupied place of business to remove rental expenditure.

The management committee have provided guidance through this challenging time for the organisation and their experience in the industries we operate has been invaluable. The need to bring forward and enhance strategic initiatives is a necessity as Energy Skills Queensland reforms the organisation while remaining focused on building long-term sustainable revenue.

Audited financial statements 2014/2015

Income statement for the year ended 30 June 2015

	Note	2015 (\$)	2014 (\$)
Income			
Grant (local) operating		500,000	600,000
Brokerage related fees		239,379	397,688
Project management and consultancy fees		975,759	2,947,941
GI Income		318,516	935,670
General Sponsorships		100,000	112,273
Sundry		107,894	106,405
Interest received		86,648	100,081
Total		2,328,196	5,200,058
Expenditure			
Advertising expenses		2,004	6,698
Audit and accounting fees		14,846	63,887
Computer expenses		47,697	112,112
Conference expenses		63,734	66,495
Depreciation expense		199,251	206,198
Event expenses		6,529	36,213
Insurance expenses		9,475	15,639
Marketing and research		4,831	16,966
Office expenses		8,196	7,935
Postage		7,626	12,994
Printing and stationery		32,614	76,661
Project and consultancy expenses		280,833	1,403,857
Rent		5,428	20,860
Safety, workplace health expenses		-	8,513
Salaries		1,323,183	2,270,911
Salaries related oncosts		56,635	331,579
Staff recruitment		10,684	6,620
Staff related expenses		15,545	26,859
Telephone expenses		51,460	65,630
Travel expenses		60,528	129,168
Impairment expenses	5	385,014	-
Other expenses	2	127,499	200,464
Total		2,713,612	5,086,259
Current year surplus / (deficit)		(385,416)	113,799
Accumulated surplus at the beginning of the financial year		3,154,985	3,041,186
Accumulated surplus at the end of the financial year		2,769,569	3,154,985



Audited financial statements 2014/2015

Assets and liabilities as at 30 June 2015

	Note	2015 (\$)	2014 (\$)
Assets			
Current assets			
Cash and cash equivalents	3	3,256,911	3,739,230
Accounts receivable and other debtors	4	227,833	296,552
Other assets		5,079	7,560
Total current assets		3,489,823	4,043,342
Non-current assets			
Intangible assets	5	435,348	713,560
Land, building and improvements	6	2,161,134	2,214,260
Plant and equipment	6	122,628	146,247
Total non-current assets		2,719,110	3,074,067
Total assets		6,208,933	7,117,409
Liabilities			
Current liabilities			
Trade and other payables	7	505,275	615,308
Deferred revenue	8	122,051	122,424
Provisions	9	49,284	121,883
Unacquitted grant funds	10	2,762,754	3,071,216
Total current liabilities		3,439,364	3,930,831
Non-current liabilities			
Provisions non-current	11	-	31,593
Total non-current liabilities		-	31,593
Total liabilities		3,439,364	3,962,424
Net assets		2,769,569	3,154,985
Equity			
Accumulative funds brought forward		3,154,985	3,041,186
Current year surplus / (deficit)		(385,416)	113,799
Total equity	12	2,769,569	3,154,985

Audited financial statements 2014/2015

Notes to financial statements for the year ended 30 June 2015

NOTE 1: Summary of significant accounting policies

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act Queensland. The committee has determined that the association is not a reporting entity.

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

The following significant accounting policies, which are consistent with the previous period unless stated otherwise, have been adopted in the preparation of these financial statements.

Income tax

The association is exempt from the payment of income tax under the provisions 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.

Property, Plant and Equipment (PPE)

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

The depreciable amount of all PPE is depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use. The assets are depreciated at the following rates:

- Buildings - 26.7 years calculated under the straight line basis
- Motor vehicle – 6 $\frac{2}{3}$ years calculated under the diminishing value basis
- Plant and equipment – 3-10 years calculated under the diminishing value basis
- Software – 2 $\frac{1}{2}$ years calculated under the straight line basis
- Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Intangible assets

Research and development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Capitalised development costs are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

Impairment of assets

At the end of each reporting period, the committee reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in the income and expenditure statement.

Employee provisions

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee provisions have been measured at the amounts expected to be paid when the liability is settled.

Audited financial statements 2014/2015

Notes to financial statements for the year ended 30 June 2015

Provisions

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Cash and cash equivalents

Cash on hand includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

Accounts Receivable and other debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from donors. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

If conditions are attached to the grant that must be satisfied before the association is eligible to receive the contribution, recognition of the grant as revenue will be deferred until those conditions are satisfied.

All revenue is stated net of the amount of goods and services tax.

Leases

Leases of PPE, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the association, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the assets and liabilities statement.

Financial assets

Investments in financial assets are initially recognised at cost, which includes transaction costs, and are subsequently measured at fair value, which is equivalent to their market bid price at the end of the reporting period. Movements in fair value are recognised through an equity reserve.

Accounts payable and other payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Audited financial statements 2014/2015

Notes to financial statements for the year ended 30 June 2015

	2015 (\$)	2014 (\$)
Note 2: Other expenses		
Bad debts	4,168	16,350
Bank charges	3,327	4,898
Body corporate fees	36,447	33,076
Cleaning/rubbish removal	8,128	14,718
Donations and gifts	360	1,361
Electricity expenses	15,378	16,786
Entertainment expenses	5,786	9,917
Fringe benefit tax	9,062	(8,685)
Hire – general	571	2,019
Lease expenses	22,082	42,695
Legal	2,935	6,500
Meeting expenses	1,567	12,148
Motor vehicle expenses	2,601	4,807
Other expenses	2,537	2,076
Sponsorships	-	22,209
Subscriptions and memberships	11,580	16,027
Uniforms	970	3,562
Total	127,499	200,464
Note 3: Cash and cash equivalents		
Cash management account	80,187	22,773
Electronic clearing account	(228)	(2,325)
Resources Training Fund (457 Visa)	385,578	389,427
Cash deposit account	202,351	1,507,381
Business online saver	287,525	148,843
ING Business Optimiser	1,700,788	996,976
ING Term Deposit	600,000	676,155
PayPal	710	-
Total	3,256,911	3,739,230
Note 4: Accounts receivable and other debtors		
Trade debtors	227,932	209,434



Audited financial statements 2014/2015

Notes to financial statements for the year ended 30 June 2015

	2015 (\$)	2014 (\$)
Note 4: Accounts receivable and other debtors continued		
Trust distributions receivable	1,767	5,361
Other debtors	9,534	88,989
Provision for doubtful debts	(11,400)	(7,232)
Total	227,833	296,552
Note 5: Intangible assets		
Generic Induction	798,058	694,704
Less impairment expense	(385,014)	-
Less accumulated amortisation	(167,276)	(87,470)
Sub-total	245,768	607,234
SkillPASS	223,771	118,140
Less accumulated amortisation	(34,191)	(11,814)
Sub-total	189,580	106,326
Total	435,348	713,560
Note 6: Property, Plant and Equipment		
Land and building – at cost	1,943,837	1,943,836
Building improvements – at cost	376,677	376,677
Less accumulated depreciation	(159,380)	(106,253)
Sub-total	2,161,134	2,214,260
Plant and equipment – at cost	298,026	305,682
Less accumulated depreciation	(184,830)	(179,892)
Sub-total	113,196	125,790
Software – at cost	246,753	241,523
Less accumulated depreciation	(237,321)	(221,066)
Sub-total	9,432	20,457
Total	2,283,762	2,360,507
Movement in carrying amounts		
Movement in carrying amounts for each class of fixed asset between the beginning and end of the current financial year.		
Land and buildings		
Balance at beginning of the year	2,214,260	2,267,386
Additions	-	-
Depreciation expense	(53,126)	(53,126)
Total	2,161,134	2,214,260

Audited financial statements 2014/2015

Notes to financial statements for the year ended 30 June 2015

	2015 (\$)	2014 (\$)
Note 6: Property, Plant and Equipment continued		
Property, Plant and Equipment		
Balance at beginning of the year	125,790	145,873
Additions	18,104	20,713
Depreciation expense	(30,698)	(40,796)
Total	113,196	125,790
Software		
Balance at beginning of the year	20,457	36,489
Additions	5,230	14,344
Depreciation expense	(16,255)	(30,376)
Total	9,432	20,457
Total Property Plant and Equipment	2,283,762	2,360,507
Note 7: Trade and other payables		
Trade creditors	150,280	30,190
457 Visa Training Fund	299,584	386,669
Goods and services tax payable	5,227	45,062
Superannuation payable	4,112	3,156
Payroll tax payable	1,569	1,783
PAYG	22,000	38,340
Accrued expenses and other creditors	22,503	110,108
	505,275	615,308
Note 8: Deferred revenue		
e-Profiling	7,500	9,900
GI annual licence fees	23,936	32,433
ee-Oz project fees	-	32,909
IEP project	17,330	-
IEP project	16,075	47,182
SkillPASS	57,210	-
	122,051	122,424
Note 9: Provisions		
Annual leave	46,672	118,727
FBT	2,612	3,156
	49,284	121,883



Audited financial statements 2014/2015

Notes to financial statements for the year ended 30 June 2015

	2015 (\$)	2014 (\$)
Note 10: Unacquitted grant funds		
Operating grants		
Centre of excellence grant	4,467,000	4,867,000
Less expended	(2,254,600)	(2,154,600)
Total Operating grants unacquitted	2,212,400	2,712,400
Project grants		
Datsima Workforce Skilling Programme	7,850	7,850
Less expended	(7,850)	-
	-	7,850
Maryborough Workforce Skilling Programme	-	22,000
Less expended	-	(22,000)
	-	-
Rockhampton Workforce Skilling Programme	-	181,273
Less expended	-	(181,273)
	-	-
Project grants continued		
QGC Workforce Skilling Programs	1,426,490	1,404,204
Less expended	(1,389,217)	(1,220,139)
	37,273	184,065
Arrow Workforce Skilling Program	-	189,340
Less expended	-	(189,340)
	-	-
Indigenous Skills Audit	-	182,748
Less expended	-	(182,748)
	-	-
Santos Keys to Careers Program	-	146,840
Less expended	-	(146,840)
	-	-
Minor Project Acquittals	-	50,000
Less expended	-	(50,000)
	-	-

Audited financial statements 2014/2015

Notes to financial statements for the year ended 30 June 2015

	2015 (\$)	2014 (\$)
Note 10: Unacquitted grant funds continued		
VTEC	171,000	-
Less expended	(21,450)	-
	149,550	-
Industry Partnership Strategy	325,318	-
Less expended	(75,600)	-
	249,718	-
Indigenous Funding Pool	311,202	31,791
Less expended	(220,244)	-
	90,958	31,791
Future Skills Project	68,500	-
Less expended	(45,645)	-
	22,855	-
Total project grants unacquitted	550,354	223,706
Third party training funds		
Strategic Investment Fund	4,300,215	4,300,215
Less expended	(4,300,215)	(4,165,105)
	-	135,110
Total third party training funding unacquitted	-	135,110
Total unacquitted grant funds	2,762,754	3,071,216
Note 11: Provisions non-current		
Long service leave	-	31,593
	-	31,593
Note 12: Accumulative funds		
Brought forward as at 1 July 2014	3,154,985	3,041,186
Surplus/(deficit) for the year	(385,416)	113,799
Carried forward as at 30 June 2015	2,769,569	3,154,985
Note 13: Leasing commitments		
Operating Lease Commitments		
- not later than 12 months	3,090	5,846
- between 12 months and five years	11,588	4,385
Minimum lease payments	14,678	10,231

Audited financial statements 2014/2015



Notes to financial statements for the year ended 30 June 2015

NOTE 14: Events subsequent to reporting date and contingent liabilities

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.

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operation of the Association, the results of those operations, or the state of affairs of the association in future financial years.

Statements by members of the Management Committee

The Management Committee have 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 2015, 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:

Peter Price
Chairperson

Edwin De Prinse
Treasurer

Date: 18 November 2015

Independent audit report

To the members of Energy Skills Queensland Inc.

We have audited the accompanying financial report, being a special purpose financial report, of Energy Skills Queensland Inc. (the association), which comprises the assets and liabilities statement as at 30 June 2015, the income and expenditure statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certification by members of the committee on the annual statements giving a true and fair view of the financial position and performance of the association.

Committee's responsibility for the financial report

The committee of Energy Skills Queensland Inc. 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 QLD (1981) and is appropriate to meet the needs of the members. The committee's responsibility also includes such internal control as the 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. Those 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 association'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 association'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 2015 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements, and the requirements of the Associations Incorporation Act QLD (1981).

Basis of accounting and restriction on distribution

Without modifying our opinion, we draw attention to Note 1 to the financial statements, 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 QLD (1981). As a result, the financial report may not be suitable for another purpose.

PKF Hacketts Audit



Liam J Murphy, Partner
Date: 18 November 2015





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