



2015 | 2016
Annual Report





Contents

Chairperson’s Comments	2
Chief Executive Officer’s Comments	4
Making a Difference	6
Industry Structure.....	7
Corporate Governance.....	8
Looking Ahead	9
Industry Engagement	10
Training and Employment	12
Industry Skills Report.....	14
Workforce Planning.....	15
Workforce Development.....	16
Workforce Development Outlook.....	17
SkillConnection and Enews	17
Financial Statements.....	18
Independent Audit Report.....	28



Lieutenant General Morrison spoke candidly on ways in which Energy Skills Queensland could enable his advocacy of equality, and the implementation of diversity policies in the workplace.

I was proud to contribute again to Energy Skills Queensland's Annual Conference which continues to receive excellent brand recognition and industry regard. Encompassing the theme of 'Energy Skills 2020', this year's conference comprised a star-studded line up of speakers and a diverse range of stakeholders to share knowledge and experience to improve the energy industries. Well done to the Energy Skills Queensland team for yet another successful conference.

We have continued to facilitate industry leader and training groups, assisting organisations to develop and implement strategic workforce planning and development strategies and have also provided additional forums in the renewable energies and HVAC arenas. The expertise and experience of the Energy Skills Queensland team has also been recognised through the commitment of individual staff members in the roles of Chair of the Electrical Safety Education Committee, a standing member on the Refrigeration and Air-Conditioning Licensing Steering Committee and a founding member of Women in Power, a not-for-profit organisation formed to promote and improve the electrical and Electrotechnology industry by the advancement of women within it.

As a product of our experience in developing projects to meet industry's skills requirements and to advocate on behalf of industry stakeholders, Energy Skills Queensland earned a number of positions on the Australian Government's Industry Reference Committees, assisting in guiding reform and implementation of new national vocational education and training policies.

The Queensland Workforce Skilling Strategy continues to be successful, providing a framework for industry and communities to work together to maximise the potential for unemployed people to gain employment. With funding from the Federal and Queensland Governments, Energy Skills Queensland was able to provide training and employment in the rail, scaffolding and camp operations arenas.

From a workforce development perspective, Energy Skills Queensland has been busy developing new programs and ensuring quality in existing programs. The Energy Skills Queensland team developed and launched the Generic

Chairperson's Comments

As I pen this foreword, I look back at another satisfying and constructive year for Energy Skills Queensland during which we have worked to support and improve the energy, mining and telecommunications industries we represent.

Throughout the year, the Energy Skills Queensland team have gone above and beyond in the provision of one of our core services, stakeholder engagement.

Over the last twelve months, our research and expertise was provided at a number of forums, including the partnership with CSIRO and Energy Networks Association for the development of the National Transformation Roadmap, effectively taking our work to a national perspective.

Earlier this year we were honoured to welcome Lieutenant General David Morrison AO. (Retd), 2016 Australian of the Year as our keynote speaker at Energy Skills Queensland's 'Trained to Win' event. Promoting the theme of 'Diversity and Culture Change in the Workplace',

Induction Refresher, a training initiative designed for the resource industry and aligning to Queensland specific regulation requirements. Additionally, building on the success of the Drilling and Completions General Induction, we have developed the Queensland Natural Gas Industry Safety Induction in partnership with Safer Together as reinforcement of our work in ensuring a skilled and safe workforce for the mining industry.

In early 2016, SkillPASS was transferred onto a new IT-platform to enhance user experience and improve overall functionality. Since then, SkillPASS has continued to gain momentum with the improved system now holding in excess of 48,000 competencies and 15,000 profiles. Significantly, the improved efficiency and functionality of the SkillPASS system was recently implemented by Origin to provide their entire contracting workforce the ability to book and pay for web-based and face-to-face training requirements. The SkillPASS system is currently being evaluated for further implementation into the CSG/LNG industry and is in high demand from the Electricity Supply industry. This industry recognition of the benefits of a training and competency database providing a one-stop solution to training needs is a valuable endorsement of this excellent product.

Earlier this year, I was honoured with life membership of Energy Skills Queensland for providing 8 years of leadership to the organisation. On reflection, I can easily say that Energy Skills Queensland is one of the most professional and dedicated organisations I have had the pleasure of working with, and I would like to acknowledge the people who have built the organisation in which our industry demonstrates the highest confidence.

I have always argued that for any organisation to be able to deliver good outcomes, you need to be strong from top to bottom – and that individuals do not achieve good outcomes, teams do. At Energy Skills Queensland, we have been inspired by wonderfully dedicated teams of people delivering successful outcomes, including the Board Directors, CEOs and staff. The quality of an organisation's output and the professionalism with which it delivers its work, directly relates to the quality of its staff. Well led by an enthusiastic CEO, our staff is strongly committed to our goals, working well beyond the limits of job descriptions, and bringing together a range of skills that make Energy Skills Queensland a market leader.

I also extend my thanks to our stakeholders, who not only observe at our meetings, but contribute to our discussions and deliberations.

Their attendance dramatically opens the lines of communication with governments, minimises any chance of misunderstandings, and enables us collectively to deliver better industry skilling and training outcomes for everyone.

The Energy Skills Queensland team and Board of Directors look forward to another successful year.

“I can easily say that Energy Skills Queensland is one of the most professional and dedicated organisations I have had the pleasure of working with, and I would like to acknowledge the people who have built the organisation in which our industry demonstrates the highest confidence.”

Peter Price,
Chairperson
Energy Skills Queensland



Chief Executive Officer's Comments

Over the past twelve months, Energy Skills Queensland has been buzzing with activity.

It's been a year of building on the great achievements of previous years, consolidating ongoing work, and planning and rolling out innovative programs to benefit the energy, mining and telecommunications industries. I am very proud of what the Energy Skills Queensland team has delivered, and I am also very excited about the future.

Energy Skills Queensland maintains its flexibility in order to meet urgent or unexpected needs that arise. The success of our workforce planning research enables us to secure future projects, and our workforce development products, including General Induction programs and the SkillPASS competency management system, ensure industry hold a safe and appropriately skilled workforce, backed up by evidence-based material and exclusive training.

Now more than ever, the energy, mining and telecommunication industries, along with Energy Skills Queensland, need to innovate and collaborate. Energy Skills Queensland have continued their great work with the Queensland Workforce Skilling Strategy, providing training and employment opportunities to disadvantaged Queenslanders in scaffolding, hospitality, camp management and rail infrastructure.

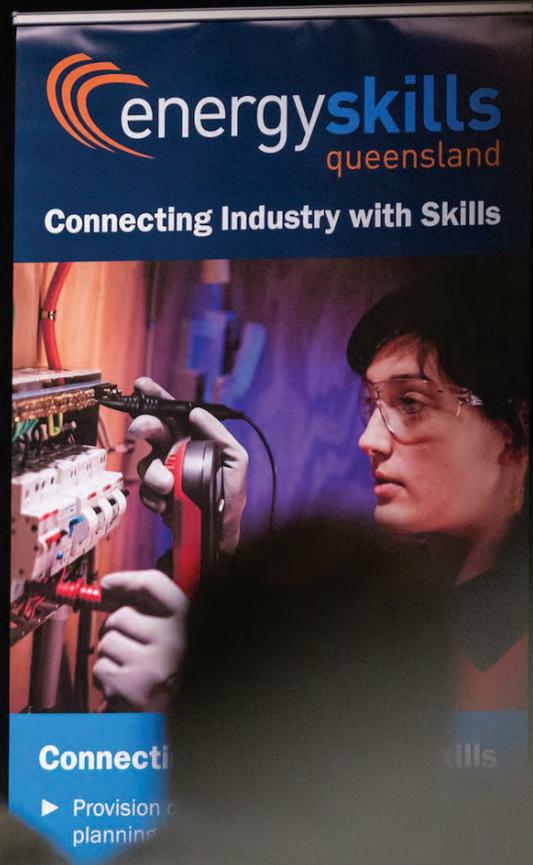
The financial year 2015/16 concluded with a planned operating deficit of \$197k. In keeping with good governance, we hold reserves to keep us operational should there be a significant change in funding available for new strategic investments and partnerships as opportunities arise.

Through the use of social media, the way in which we seek, receive and share information, advice and news have fundamentally changed and Energy Skills Queensland's appetite to embrace new ways of communicating means that our messages, content, programs and services are reaching more people than ever before. Importantly, Energy Skills Queensland is often the first

port of call for people wanting information, advice or to find out where to start in the often confusing vocational education and training system.

This is an exciting time as we await details of the Commonwealth Government's national vocational education and training reforms. We hope some decisive and practical initiatives are identified and resolved, to ensure safe and appropriately skilled workforces for the future. We know that the current vocational education and training system is complex and hard-to-navigate, even for those who are familiar with its intricacies. We are looking forward to an improved offering which all participants, particularly the most disadvantaged applicants, will find easier to manage and derive benefit. Energy Skills Queensland is ready to participate in finding solutions, working collaboratively with government and stakeholders to bring about positive change quickly.

Energy Skills Queensland has published a new strategic plan to cover the next three years. The strategic planning process made us examine our achievements and question where



we can make the biggest and most positive future impact in the energy, mining and telecommunications industries. The plan builds on the simple premise on which Energy Skills Queensland was founded 7 years ago - to provide the Queensland energy, mining, and telecommunication industries with the information and skills it needs to ensure a strong and sustainable future. Lastly, the plan outlines how we will ensure our work is relevant, efficient and sustainable, continuing to play a leadership role in the energy, mining and telecommunications sectors and making a real difference to workforces and industry.

Energy Skills Queensland adopts an industry heart and a business head to achieve our objectives. We look forward to continuing our partnerships and developing new ones with all tiers of government, with our stakeholders in the mining, energy, telecommunication and education sectors, and with private industry.

I would like to thank the Board of Directors. Their unwavering support and wise counsel ensures that Energy Skills

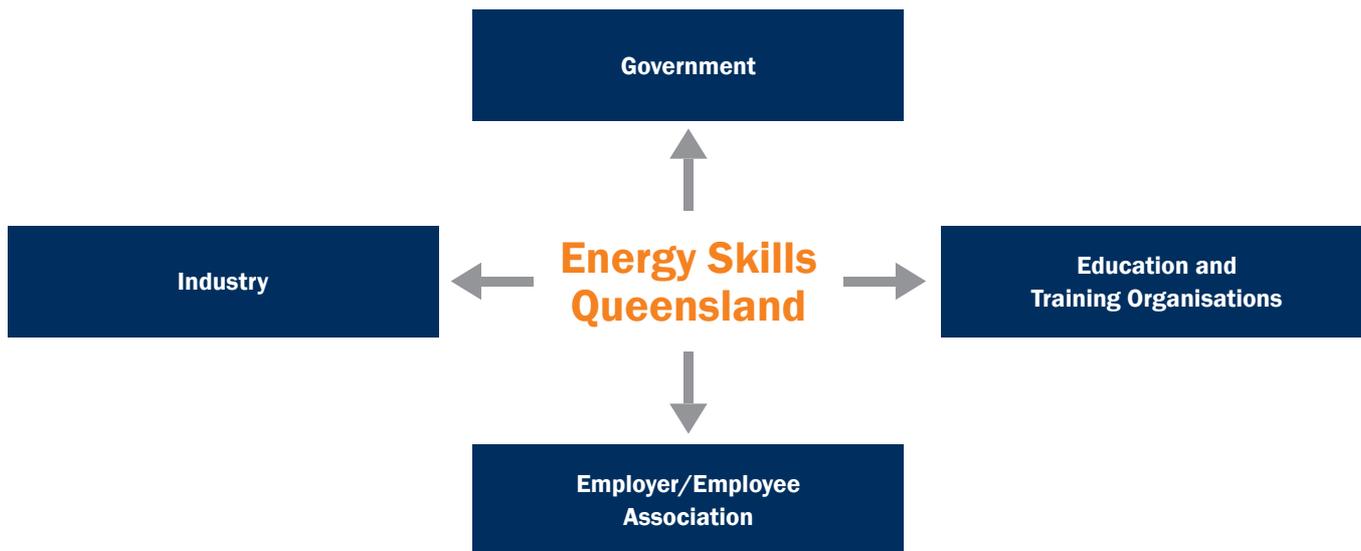
Queensland continues to be the robust organisation it is today. Most importantly, I congratulate the Chairman, Peter Price, on his award of Life Membership to Energy Skills Queensland for his ongoing sponsorship and dedication of our services.

To the staff at Energy Skills Queensland, I offer my sincere thanks. Individuals alone deliver nothing, but teams can move mountains and Energy Skills Queensland's dedicated, professional staff members demonstrate a commitment to improving the energy, mining and telecommunication industries that is palpable.

Penelope Twemlow,
Chief Executive Officer
Energy Skills Queensland

Making a Difference

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



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 programs
- Educational design and program 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

The purpose of Energy Skills Queensland is to provide the Queensland energy, mining, and telecommunication industries with the information and skills it needs to ensure a strong and sustainable future and to provide advocacy services on behalf of industry representatives to policy makers.

Vision

The vision of Energy Skills Queensland is to facilitate the provision of 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 energy, mining and telecommunications industries as a career of first choice, encourage investment in skills and training, align skills with emerging industry trends and increase the number of skilled workers in these industries.

Industry Structure

Energy Skills Queensland plays a key role in leading industry and government engagement on vocational education and training, skills development and labour market issues.

Energy Skills Queensland ensures that skill needs are identified at local, regional and state levels, and ascertain training priorities, suitable training products and ideal training delivery methods.

This role is performed through engagement and facilitation of key industry groups and committees for each of the industry areas that Energy Skills Queensland represent.

Electricity

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.

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).

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.

Telecommunications

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

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.

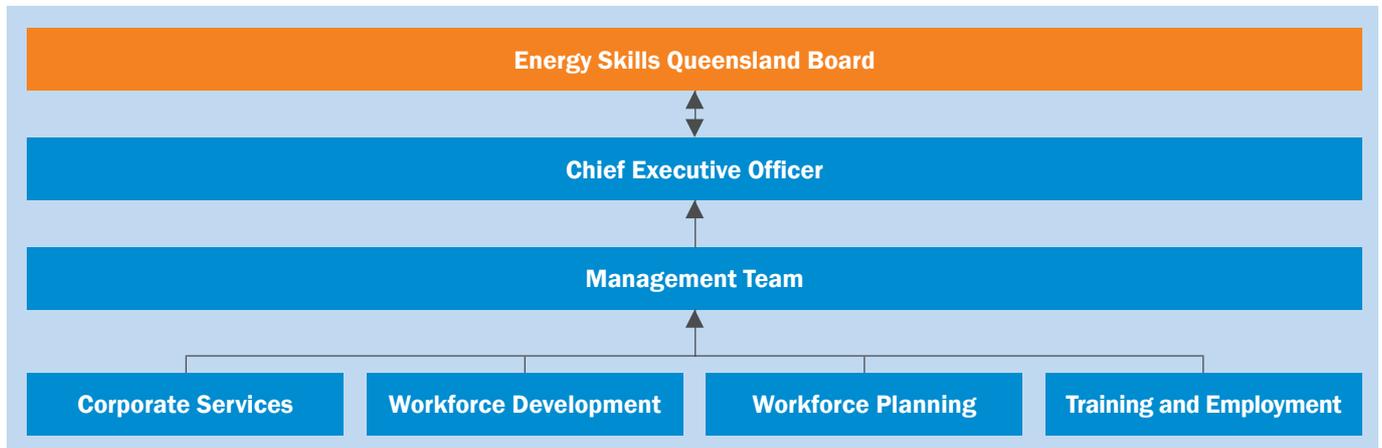
Surface and underground mining

- Extraction and distribution of natural minerals

Corporate Governance

Organisational Structure

During 2015/16, we restructured and reorganised our workforce to ensure business efficiencies.



Energy Skills Queensland Board

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



Management Structure

The Board 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, Director of Finance and Corporate Services and Director – Research, Strategy and Development, comprise the Management Team. The Management Team implements the Board’s strategies and policies through the Delegation of Authority Framework and Strategic Plan.

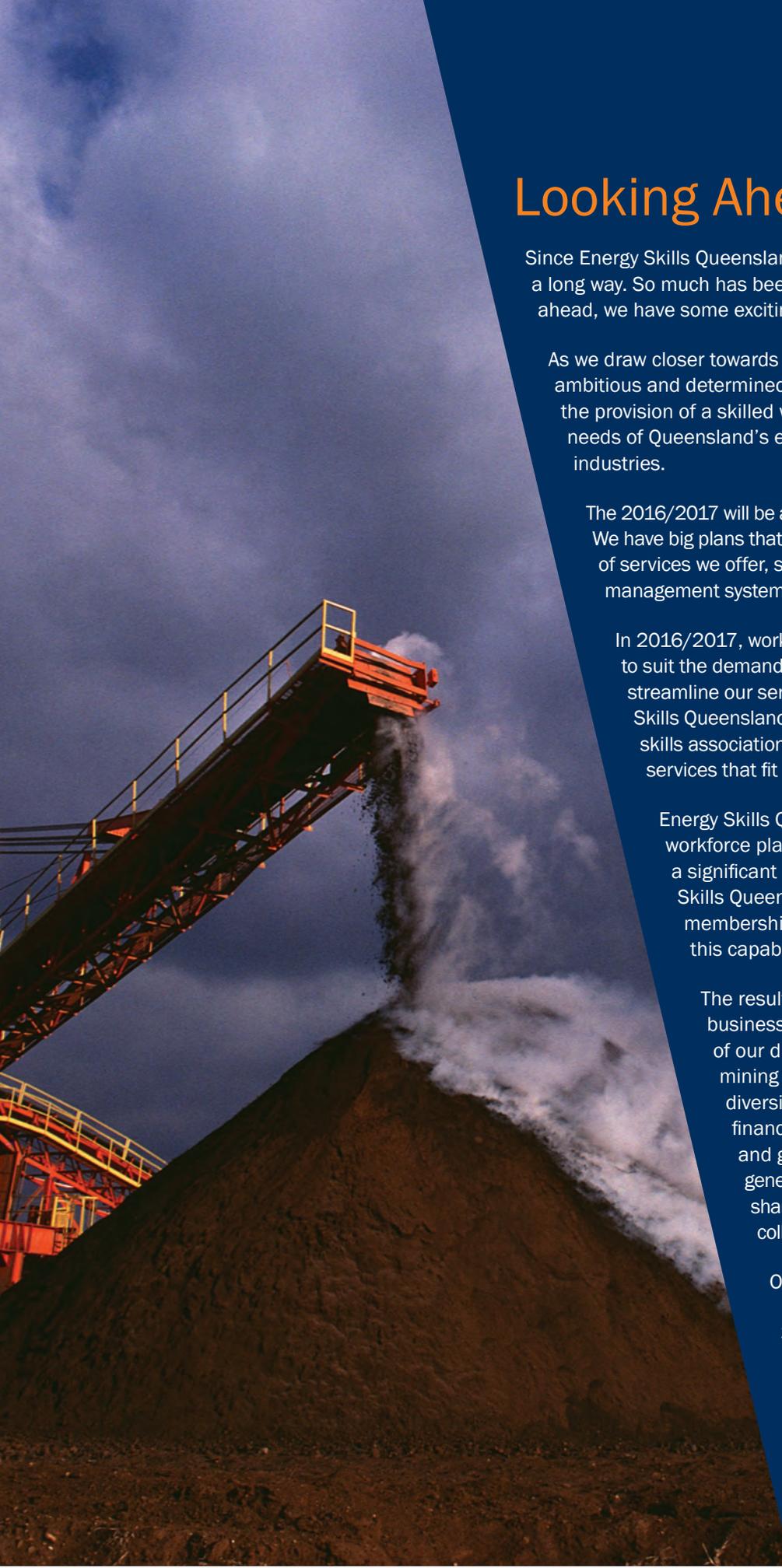


Management Committee

- Peter Price – Chairman
- Malcolm Richards – Deputy Chairman
- Edwin De Prinse – Treasurer
- Andrew Jacovides - Secretary
- Dick Williams
- Peter Billing
- Dominic Schipano
- Marina Williams.



Pictured: Peter Price, Malcolm Richards, Edwin De Prinse, Andrew Jacovides, Dick Williams, Peter Billing, Dominic Schipano and Marina Williams.



Looking Ahead

Since Energy Skills Queensland was founded in 2008, we have come a long way. So much has been achieved over the last year but looking ahead, we have some exciting plans for 2017 and beyond.

As we draw closer towards our 10th anniversary, we are more ambitious and determined than ever to reach our goals - to facilitate the provision of a skilled workforce that meets the evolving needs of Queensland's energy, mining and telecommunication industries.

The 2016/2017 will be a milestone year at Energy Skills Queensland. We have big plans that will allow us to extend the range and scope of services we offer, specifically with regards to our competency management systems, audit and governance arenas.

In 2016/2017, work will continue to reshape our organisation to suit the demands of the industries we represent and to streamline our service offerings. We will reposition Energy Skills Queensland as a more focused, high-value industry skills association. We will build on our products and services that fit our strength and our purpose.

Energy Skills Queensland remains unique by combining workforce planning and development strength with a significant industry service capability. Energy Skills Queensland works across all sectors of our membership and delivers value and insights from this capability.

The result of these moves will be a strong, multi-business organisation, and proudly so. Each of our divisions will be a leader in the energy, mining and telecommunication industries. Our diversity gives Energy Skills Queensland the financial strength to capitalise on business and government cycles and uncertainty. We generate incremental earnings through our shared capabilities, harnessing the value of collaboration.

Our Goals for the next strategic period are:

1. Achieve financial stability
2. Increase geographical footprint and industry engagement
3. Implement organisational corporate governance.



Industry Engagement

Annual Conference 2015

In 2015, Energy Skills Queensland's Annual Conference tackled the timely theme of Energy Skills 2020. The conference was attended by over 180 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 CSIRO. An engaging panel session on what Queensland needs to do to be 'skills ready' in 2020 rounded out the day.

The Annual Conference also 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

Running for its third successful year in 2016, Energy Skills Queensland hosted the 'Trained to Win' evening event. Focusing on the theme 'Diversity and Culture Change in the Workplace', guests were delighted to hear the views and experiences of Australian of the Year, Lieutenant General David Morrison AO.

Over 100 delegates were in attendance at Trained to Win, equalling the impressive turnout the year prior. Feedback received indicates the forum was highly valuable to our stakeholders. Our guest speaker was a big drawcard and delegates found his presentation highly insightful, and a fantastic networking opportunity to discuss how Energy Skills Queensland stakeholders are addressing such an important issue. Feedback also indicates that all delegates would recommend others to attend a similar event in future.



Industry Leader and Training Groups

Energy Skills Queensland remains committed to bringing together all stakeholders to address skilling and training issues. Over the course of 2015/16, there were 16 industry leader and training forums across the following industries:

- Electrotechnology
- Telecommunications
- CSG to LNG
- Drilling and Completions
- Heating Ventilation and Air Conditioning (HVAC).

The sessions are open to employers, government representatives including the Department of Education and Training, the Electrical Safety Office and the Oil and Gas Inspectorate, union representatives, industry associations and registered training organisations.



Training and employment

Skilling Queenslanders for Work

Energy Skills Queensland tendered for, and received funding, from the Department of Education and Training as part of the Skilling Queenslanders for Work program. The program aims to provide training to people who are under-utilised or under-employed in the labour market, as well as building the skills of young people, Aboriginal and Torres Strait Islander people, people with disability, mature-age job seekers, women re-entering the workforce, and people from culturally and linguistically diverse backgrounds.

The programs were delivered using the Queensland Workforce Skilling Strategy model across several locations including Gladstone, Rockhampton, Mackay, and Coolangatta. Participants were provided training in subject areas of:

- Scaffolding
- Hospitality and camp management
- Rail infrastructure.

Energy Skills Queensland is committed to delivering programs which result in valuable employment outcomes, and will continue to work with industry, government and training organisations to achieve this.

Indigenous Funding Pool Program

With funding assistance through the Department of Education and Training, Energy Skills Queensland has facilitated training to participants in the Indigenous Funding Pool Program. The objective of the program was to train 150 Aboriginal and Torres Strait Islander people in Trade Assistant, Drilling, Resources and Infrastructure, and Traffic Control in the Surat Basin, Gladstone, Bundaberg, Caboolture, Cherbourg and Central Queensland regions. The programs 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 program 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 program 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 Program provided industry-lead 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 Program was highly successful, training 138 participants and achieving 86 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 program was the Australia Pacific Liquefied Natural Gas Project with their direct industry co-contribution towards the program.



Energy Skills Queensland is reminded on a daily basis through good news stories that this program 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 program and for assistance with funding to do so.

The Program was highly successful, training 138 participants and achieving 86 employment outcomes through 14 separate training group intakes.

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 Employment Centres contract to provide 50 participants with a holistic program 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 2017. The delivery of the program was provided under the Queensland Workforce Skilling Strategy model with post placement support to continue for participants selected for the program for six months after commencing employment.

As at September of 2016, Energy Skills Queensland has placed 45 jobseekers into employment and has achieved 8 twenty-six week employment outcomes with this number increasing due to placements in the rail and telecommunications industry.

Indigenous Employment Project

Energy Skills Queensland received funding from the Federal 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, Trades Assistant and Civil Construction.

The program was delivered using the Queensland Workforce Skilling Strategy model in terms of life skills 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 region, Moreton Bay and Wide Bay region and Gladstone and Bundaberg region.

Industry Skills Report

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 in some sectors. Decreasing electricity demand, and the need for network operators to scope non-network alternatives for power distribution, also provides new workforce challenges.

Positively, the NBN mixed technology model has shifted the skills required to deliver our national telecommunications network. The opportunities for new workers to enter into a telecommunications career are positive, with training and employment increasing in the sector.

Disruptive technologies such as energy storage, automation of mining operations, intelligent grids and advanced gas recovery techniques are examples of change driving unprecedented skilling and training challenges. These challenges are likely to be addressed by non-accredited training in the short term, with gradual formal accreditation and national recognition of training packages emerging as new technology standards are written.

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 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 (VET) trainers.



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

- Following the publication in 2015 of the 'A Changing Electricity Industry, A Changing Workforce' discussion paper, Energy Networks Association (ENA) engaged Energy Skills Queensland to assist with the delivery of the skills, training and professional development report for the Electricity Network Transformation Roadmap project
- VET Industry Advisory Organisation for the Utilities, Telecommunications and Mining sectors in Queensland to the Department of Education and Training
- Income Protection Research for the Building, Construction and Electrical Sectors in Australia
- Provision of Queensland data on electrotechnology training related activities to E-Oz
- Facilitation of the Queensland Workforce Planning Community of Practice forum.

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

Workforce planning outlook

Energy Skills Queensland will seek to complete several important industry and enterprise based workforce planning projects into 2017. 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 2016/2017. 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 the following 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. 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.
3. 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.

Energy Skills Queensland is keen to collaborate with Jobs Queensland, an independent statutory entity providing strategic industry advice to government on skills demand and future workforce planning, on innovation projects identifying workforce impacts related to technological disruption.

In 2017, the workforce planning team will provide an update on the workforce numbers and skillsets for the CSG to LNG industry in Queensland. The data reported in the 20 year industry workforce plan, published by Energy Skills Queensland in 2013, will be reviewed against current data.

Workforce development

Generic Induction

The Generic Induction (GI) is an approved safety program 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 GI gain the requisite knowledge and skills identified by industry as being of paramount importance when working onsite.

The GI ensures generic safety procedures, information and obligations, applicable on all types of worksites, 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 developed the GI Refresher program in 2016, the GI Refresher uses best practice methodologies, group activities and role play to consolidate learning. Participants who successfully complete the GI Refresher are re-issued their statement of attainment towards the six core competencies of a Certificate II in Surface Extraction Operations. These core competencies are:

- RIICOM201D Communicate in the Workplace
- RIIERR205D Apply initial response first aid
- RIIERR302D Respond to local emergencies and incidents
- RIIGOV201D Comply with site work processes
- RIIWHS201D Work safely and follow WHS policies and procedures
- RIIRIS201D Conduct local risk control.

Review and amendments of the GI program are part of the continuous improvement and quality assurance process associated with the program.

Drilling And Completions General Induction

The highly successful Drilling and Completions General Induction (DCGI), an initiative of the Rig Site Safety Working Group within Safer Together, came to a close at the end of FY 2015/16. There were over 4048 workers who completed the DCGI, across a number of industry sectors, such as camp operations, construction, support services and well servicing individuals.

As of 1 June 2016, the DCGI was superseded by the Industry Safety Induction program.

Industry Safety Induction

Following the creation of the DCGI safety training program, Energy Skills Queensland worked with Safer Together to develop a similar induction for all new workers entering the CSG to LNG industry in Queensland. Development of this program commenced in mid-2015 and was finalised on 1 July 2016. Extensive stakeholder engagement and developmental works were undertaken to define a common agreed standard of core safety competence, to establish a set of common agreed working behaviours for everyone within the industry and to create a common agreed induction process for assessing core competence and behavioural requirements.

SkillPASS

SkillPASS is industry's competency management, allowing organisations and individuals to define, track, verify and report on training and certifications for a safer and more productive workforce. 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 work on site.

The system continues to gain traction in nationally recognised industries and organisations, with some organisations requiring it as a mandatory proof of evidence to work on their sites. We are pleased to announce that as at the publication of this report, there were over 15,000 SkillPASS card holders registered, and more than 48,000 units of competency recorded in the system.

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 way we ensure quality in the vocational education and training (VET) sector as well as the programs Energy Skills Queensland manages. We will also continue to provide our insight and expertise with training packages, ensuring technological advances and the skills associated with them are sufficiently captured and developed for the future.

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 GI Refresher Program will be promoted vigorously to industry. The program allows 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 program is expected to ramp up early in 2017.

More rigorous audit and compliance has consistently been raised through industry consultation. In 2016/17 Energy Skills Queensland will be increasing its audit capability to assist registered training organisations, government and industry to increase and maintain both compliance and quality of delivery.

SkillConnection and Enews

The SkillConnection Newsletter is Energy Skills Queensland's flagship publication and is an important source of energy, mining and telecommunication information and training news. The 16 page newsletter is circulated to contacts via email with copies printed for distribution by Energy Skills Queensland staff at industry events.

The newsletter continues to be complemented by the bi-monthly e-News Bulletin which provides regular updates on industry and training projects, programs and initiatives. Published via email, the e-News Bulletin includes:

- Developments on key industry projects and announcements for all sectors
- Workforce development programs and services, initiatives and achievements
- Workforce planning research and analysis
- Training and employment announcements and partnerships.

Financial Statements

Income

Energy Skills Queensland has reported a deficit of \$197,222 for the 2015/16 financial year. This result is disappointing for the organisation but is not unexpected. The environment in which Energy Skills Queensland has operated has declined from the environment 12 months prior. Through new management, actions were taken by Energy Skills Queensland to adjust its business strategy in December 2015 to deliver both sustainable sources of revenue and better services for our stakeholders. Due to the short time frame, the new business strategy has not matured enough to show positive outcomes.

2015/16 total revenue was \$1.9 million compared to \$2.3 million the previous year: This figure is 82% of total revenue recognised in the 2014/15 reporting period. The \$423k decline in revenue from the previous period was driven by a decline in industry related projects and completion of employment related corporate sponsorship.

Total expenses for 2015/16 amounted to \$2.1 million: The reduction in spending of \$612k from the previous period is attributed to cost savings through reduced wages and no further impairment of intangible assets held in the balance sheet. It is becoming difficult for the organisation to find further cost savings resulting in the need to effectively increase revenue to cover operating expenses.

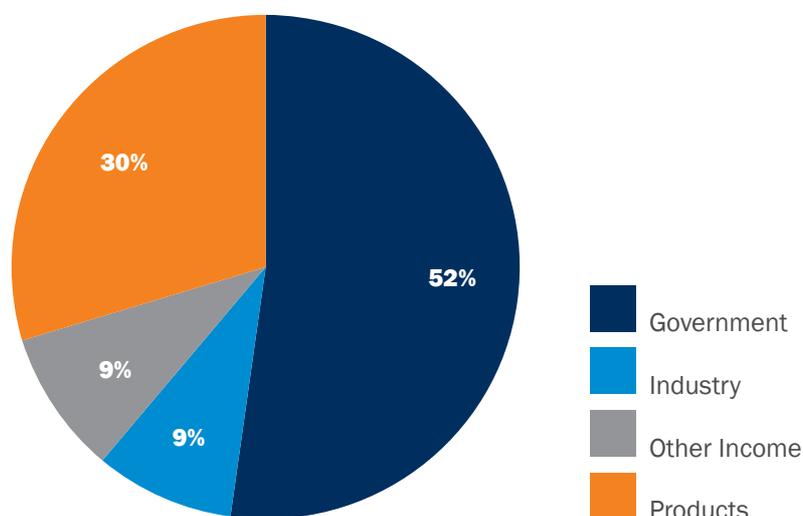
Balance Sheet

Energy Skills Queensland's balance sheet remains in a strong position as at 30 June 2016 due to prior year surpluses. Assets exceeding \$5.4 million include a large cash and cash equivalent holding of \$2.6 million. This large cash investment allows Energy Skills Queensland to meet its short term creditor obligations without the need to take on unnecessary debt from financial institutions.

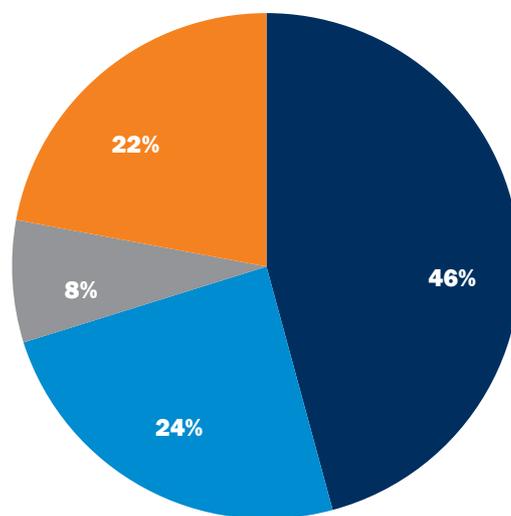
As Energy Skills Queensland builds for the future, the development of Intangible Assets like the Generic Induction, SkillPASS and the Industry Safety Induction become increasingly important. Intangible Assets total \$449k in the balance sheet and are valued in line with five year cash flow forecasts. The other significant asset in the balance sheet is the property at 70 Sylvan Road, Toowong which is also the organisation's main place of business, valued at \$2.1 million.

Energy Skills Queensland has an ending equity position of \$2.6 million for the 2015/16 financial year. The strong equity position of the organisation following two difficult financial years is a credit to the strategic leadership from the Management Committee. Under the leadership of Peter Price, the Management Committee will need to continue to provide strategic guidance to allow the organisation to return to a surplus financial performance.

Revenue 2016 FY



Revenue 2015 FY



Audited financial statements 2015/2016

Income statement for the year ended 30 June 2016

	Note	2016 (\$)	2015 (\$)
Income			
Brokerage related fees		126,374	239,379
Corporate sponsorships		-	100,000
Licensed products (GI and DCGI)		313,938	318,516
Grant (local) operating		500,000	500,000
Interest received		62,154	86,648
Project management and consultancy fees		785,817	975,759
Sundry		116,171	107,894
		1,904,454	2,328,196
Expenditure			
Advertising expenses		-	2,004
Audit and accounting fees		12,000	14,846
Computer expenses		21,825	47,697
Conference expenses		87,164	63,734
Depreciation expense		169,325	199,251
Event expenses		18,741	6,529
Insurance expenses		9,037	9,475
Marketing and research		7,148	4,831
Office expenses		6,000	8,196
Postage		8,140	7,626
Printing and stationery		19,070	32,614
Project and consultancy expenses		250,186	280,833
Rent and leases		12,000	27,510
Salaries		1,113,345	1,323,183
Salaries related oncosts		128,535	56,635
Staff recruitment		4,609	10,684
Staff related expenses		7,315	15,545
Telephone expenses		40,917	51,460
Travel expenses		52,585	60,528
Impairment expenses		-	385,014
Other expenses	2	133,734	105,417
Total		2,101,676	2,713,612
Current year surplus / (deficit)		(197,222)	(385,416)
Accumulated surplus at the beginning of the financial year		2,769,569	3,154,985
Accumulated surplus at the end of the financial year		2,572,347	2,769,569

Audited financial statements 2015/2016

Assets and liabilities as at 30 June 2016

	Note	2016 (\$)	2015 (\$)
Assets			
Current Assets			
Cash and cash equivalents	3	2,668,386	3,256,911
Accounts receivable and other debtors	4	123,268	227,833
Other assets		4,708	5,079
Total Current Assets		2,796,362	3,489,823
Non-Current Assets			
Intangible assets	5	449,147	435,348
Land, building and improvements	6	2,107,862	2,161,134
Plant and equipment	6	94,946	122,628
Total Non-Current Assets		2,651,955	2,719,110
Total Assets		5,448,317	6,208,933
Liabilities			
Current Liabilities			
Trade and other payables	7	453,069	505,275
Deferred revenue	8	167,583	\$122,051
Provisions	9	47,706	49,284
Unacquitted grant funds	10	995,212	1,050,355
Total Current Liabilities		1,663,570	1,726,964
Non Current Liabilities			
Unacquitted grant funds	11	1,212,400	1,712,400
Total Non Current Liabilities		1,212,400	1,712,400
Total Liabilities		2,875,970	3,439,364
Net Assets		2,572,347	2,769,569
Equity			
Accumulative funds brought forward		2,769,569	3,154,985
Current year surplus		(197,222)	(385,416)
Total Equity	12	2,572,346	2,769,569

Audited financial statements 2015/2016

Notes to financial statements for the year ended 30 June 2016

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 2015/2016

Notes to financial statements for the year ended 30 June 2016

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 2015/2016

Notes to financial statements for the year ended 30 June 2016

Note 2: Other Expenses	2016 (\$)	2015 (\$)
Bad debts	32,970	4,168
Bank charges	4,292	3,329
Body corporate fees	32,635	36,447
Cleaning/rubbish removal	8,322	8,128
Donations and gifts	2,330	360
Electricity expenses	15,582	15,378
Entertainment expenses	5,662	5,786
Fringe benefit tax	(4,889)	9,062
Hire – general	602	571
Legal	12,034	2,935
Meeting expenses	672	1,567
Motor vehicle expenses	1,719	2,601
Other expenses	4,885	2,537
Sponsorships	44	-
Subscriptions and memberships	16,260	11,580
Uniforms	614	970
Total	133,734	105,417

Note 3: Cash and Cash Equivalents	2016 (\$)	2015 (\$)
Business online saver	4,577	287,525
Cash deposit account	207,708	202,351
Cash management account	60,652	80,187
Electronic clearing account	-	(227)
ING Business Optimiser	1,448,528	1,700,788
ING Term Deposit	604,188	600,000
PayPal	-	710
Resources Training Fund (457 Visa)	342,733	385,578
Total	2,668,386	3,256,911

Note 4: Accounts Receivable and Other Debtors	2016 (\$)	2015 (\$)
Trade debtors	115,519	227,933
Trust distributions receivable	1,400	1,767
Other debtors	6,349	9,534
Provision for Doubtful Debts	-	(11,400)
Total	123,268	227,833

Audited financial statements 2015/2016

Notes to financial statements for the year ended 30 June 2016

Note 5: Intangible Assets	2016 (\$)	2015 (\$)
Generic Induction	405,156	413,044
Less amortised	(221,100)	(167,276)
SkillPASS	221,271	223,771
Less amortised	(56,318)	(34,191)
ISI	100,138	-
Less amortised	-	-
Total	449,147	435,348

Note 6: Property, Plant and Equipment	2016 (\$)	2015 (\$)
Land and building – at cost	1,943,837	1,943,837
Building improvements – at cost	376,677	376,677
Less accumulative depreciation	(212,652)	(159,380)
Sub-total	2,107,862	2,161,134
Plant and equipment – at cost	301,813	298,026
Less accumulated depreciation	(213,707)	(184,830)
Software – at cost	252,885	246,753
Less accumulated depreciation	(246,045)	(237,321)
Sub-total	94,946	122,628
Total	2,202,808	2,283,762

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 Building		
Balance at beginning of the year	2,161,134	2,214,260
Additions	--	-
Depreciation expense	(53,272)	(53,127)
Sub-total	2,107,862	2,161,134
Property, Plant and Equipment		
Balance at beginning of the year	113,196	125,790
Additions	3,788	18,104
Depreciation expense	(28,878)	(30,697)
Sub-total	88,106	113,196

Audited financial statements 2015/2016

Notes to financial statements for the year ended 30 June 2016

Note 6: Continued: Property, Plant and Equipment	2016 (\$)	2015 (\$)
Software		
Balance at beginning of the year	9,432	20,457
Additions	6,132	5,230
Depreciation expense	(8,724)	(16,255)
Sub-total	6,840	9,432
Total	2,202,808	2,283,762

Note 7: Trade and Other Payables	2016 (\$)	2015 (\$)
457 Visa Training Fund	339,597	299,584
Accrued expenses and other creditors	25,630	22,503
Goods and services tax payable	(491)	5,227
PAYG	21,522	22,000
Payroll Tax Payable	199	1,569
Superannuation Payable	27,609	4,112
Trade creditors	39,003	150,280
Total	453,069	505,275

Note 8: Deferred Revenue	2016 (\$)	2015 (\$)
Eprofiling	-	7,500
ESQ Events	11,085	-
GI Annual Licence Fees	3,414	23,936
IEP Project	-	17,330
Indigenous Funding Pool	-	16,075
SkillPASS Renewal	153,084	57,210
Total	167,583	122,051

Note 9: Provisions	2016 (\$)	2015 (\$)
Annual leave	47,706	46,672
FBT	-	2,612
Total	47,706	49,284

Audited financial statements 2015/2016

Notes to financial statements for the year ended 30 June 2016

Note 10: Unacquitted Grant Funds (current)	2016 (\$)	2015 (\$)
Operating Grants		
Centre of excellence grant	500,000	500,000
Sub-Total Operating Grants Unacquitted	500,000	500,000
Project Grants		
Datsima Workforce Skilling Program	7,849	7,849
Less expended	(7,849)	(7,849)
	-	-
DET VET Services	209,425	-
Less expended	(209,425)	-
	-	-
Future Skills Project	68,500	68,500
Less expended	(58,225)	(45,645)
	10,275	22,855
Indigenous Funding Pool	337,420	311,202
Less expended	(337,420)	(220,244)
	-	90,958
Industry Partnership Strategy	323,818	325,318
Less expended	(93,978)	(75,600)
	229,840	249,718
QGC Workforce Skilling Programs	1,426,490	1,426,490
Less expended	(1,426,490)	(1,389,217)
	-	37,273
SQW - Gladstone	217,420	-
Less expended	(130,000)	-
	87,420	-
SQW - Coolangatta	42,000	-
Less expended	-	-
	42,000	-
VTEC	169,127	171,000
Less expended	(43,450)	(21,450)
	125,677	149,550
Sub-Total Project Grants Unacquitted	495,212	550,354
Total Unacquitted Grant Funds (current)	995,212	1,050,354

Audited financial statements 2015/2016

Notes to financial statements for the year ended 30 June 2016

Note 11: Unacquitted grant funds (Non-Current)	2016 (\$)	2015 (\$)
Centre of Excellence grant	3,967,000	3,967,000
Less expended	(2,754,600)	(2,254,600)
Total	1,212,400	1,712,400

Note 12: Accumulative Funds	2016 (\$)	2015 (\$)
Brought forward as at 1 July 2015	2,769,569	3,154,985
Surplus/(Deficit) for the year	(197,222)	(385,416)
Carried forward as at 30 June 2016	2,572,347	2,769,569

Note 13: Leasing Commitments	2016 (\$)	2015 (\$)
Operating Lease Commitments		
- not later than 12 months	3,090	3,090
- between 12 months and five years	8,498	11,588
Minimum lease payments	11,588	14,678

NOTE 14: Events subsequent to reporting date and contingent liabilities

The Management Committee is 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.

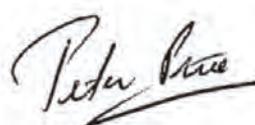
Statements by members of the management committee

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, this report:

- Presents a true and fair view of the financial position of Energy Skills Queensland Incorporated as at 30 June 2016, 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 on their behalf by:



Peter Price
Chairperson



Edwin De Prinse
Treasurer

Date: 10 November 2016

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 2016, 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 2016 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: 10 November 2016

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