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## Chairman's Review

Energy Skills Queensland has had another satisfying and constructive year, supporting the energy, telecommunications and mining industries.

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.

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 teams' expertise and experience has continued to be sought through their ongoing commitments to the Electrical Safety Education Committee and various Industry Reference Committees and Technical Advisory Committees for the review and update of Vocational Education and Training.

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

From a workforce development perspective, Energy Skills Queensland has been busy developing new programs and ensuring quality in existing programs. One of the organisation's key products, SkillPASS, has continued to

gain momentum with the improved system now holding in excess of 153,000 competencies and 22,000 profiles. With the addition of new workforces onto the system, industry continues to recognise the benefits of a training and competency database that provides a one-stop solution to training needs.

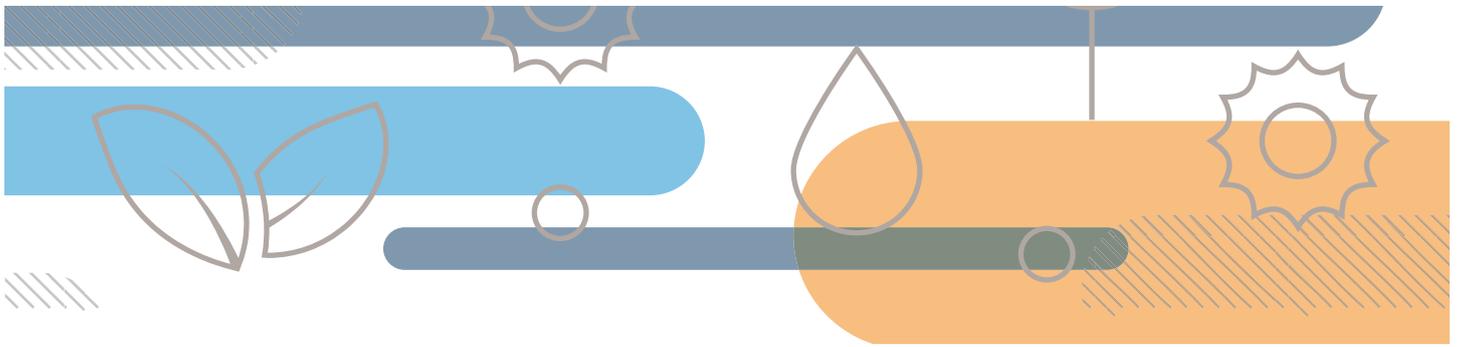
I wish to thank the Board, the dedicated team at Energy Skills Queensland and our stakeholders, who not only observe at our meetings, but contribute to our discussions and deliberations. Their attendance dramatically opens the lines of communication with governments, minimises any chance of misunderstandings, and enables us collectively to deliver better industry skilling and training outcomes for everyone.

It would be remiss of me not to recognise and thank Penelope for her contributions over the last 2 and ½ years as CEO and to wish her the very best in her future endeavours. Also, two long term directors finish their time on the Board at this AGM, Peter Billing and Dick Williams.

Peter has 7 years of service and has made material contributions across this period and on behalf of myself and fellow directors I take this opportunity to thank Peter for his contributions.

Dick has been a director since ESQ was formed in 2007; and was also part of the its predecessor the Electrotechnology ITAB since the late 1990's. Dick has been, and I am sure will remain, a great support to Energy Skills Queensland. I take this opportunity to personally recognise Dick's support and assistance over the past 10 year. I also thank Dick on behalf of my fellow directors across the entire period.

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



## Chief Executive Officer's Report

The energy industry is faced with many challenges into the future. Skill shortages and gaps are likely to continue in certain areas regardless of financial, economic and technological concerns. Attracting and developing skills to meet these potential shortages will increasingly need to be a priority of industry and governments alike.

In order to be successful, governments and energy enterprises must work together to ensure that industry has the skilled workforce to deliver what customers demand. Industry needs to plan for its future workforce needs and continue to recruit, train, retain and up-skill its workforce. We also need to embrace new training technologies.

Over the last financial year, in meeting its' core purpose, Energy Skills Queensland has continued to enhance its expertise and methodology for delivering key workforce planning and workforce development initiatives:

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

- Continuing to monitor and support industry to meet future skills needs.

A significant workforce planning project undertaken by Energy Skills Queensland during the year was our analysis of future workforce needs in collaboration with CSIRO and Energy Networks Association for the development of the National Transformation Roadmap.

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

Energy Skills Queensland continues to develop and implement a range of workforce development strategies to increase the supply of skills through the Queensland Workforce Skilling Strategy (QWSS). The rail and telecommunications programmes run under this banner are excellent examples of innovative skills development and employment initiatives designed to build skills in specific industry and regional areas, achieving an 83 per cent employment outcome as well as creating a much needed gateway for entry into the energy industry. This success will be the driver for the expansion of these programs into more regions next year.

Energy Skills Queensland's commitment to managing industry workforce planning and development requirements has been demonstrated by the highly successful SkillPASS system. Industry's competency management system, SkillPASS, now boasts over 21,500 users and holds over 153,000 skills and competencies which is now being widely used across all energy sectors.

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

The 2017/2018 financial year promises to deliver a number of major skilling issues for the energy industry. Energy Skills Queensland is well-placed to effectively assist industry to address emerging workforce challenges and provide advocacy to all levels of government, industry and training organisations.

# Making a Difference

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

There is no other organisation that provides the range of services that we do.

Supporting the electricity, oil and gas, 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 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.

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## Looking Ahead

Since Energy Skills Queensland was founded in 2007, we have come a long way. So much has been achieved over the last year, which you can read about in the pages hereafter, but looking ahead we have some exciting plans for 2017 and beyond.

Now in our 10th year, we are more ambitious and determined 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.

2017/2018 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 2017/2018, work will continue to reshape the organisation to suit the demands of the industries we represent and to streamline

## 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.

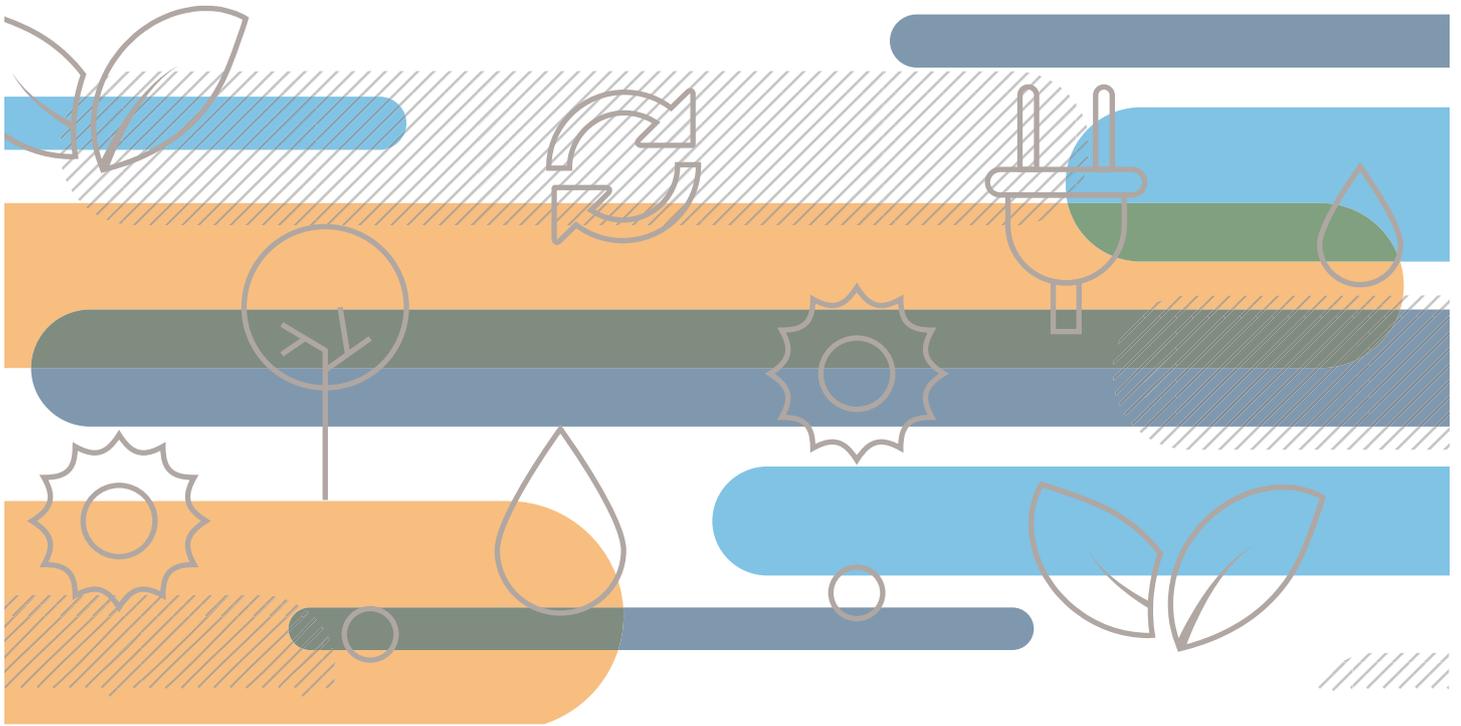
## Mission

As a recognised industry leader, our mission is to promote the energy, mining and telecommunication 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 the industry.

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 in the sense of 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. Energy Skills Queensland must enhance our market competitiveness, not detract from it.

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 and telecommunication industries. Our diversity gives Energy Skills Queensland the financial strength to capitalise on cycles and uncertainty. And, we generate incremental earnings through our shared capabilities, harnessing the value of collaboration.



# 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 ascertains 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 sector areas that Energy Skills Queensland represent.

## 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.

## 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).

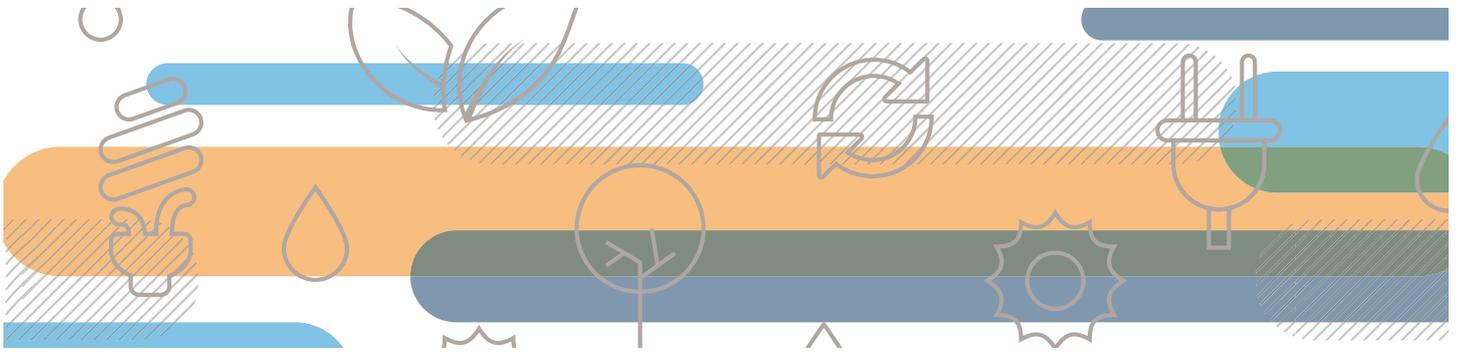
### Sustainable and renewable energy

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

## Gas

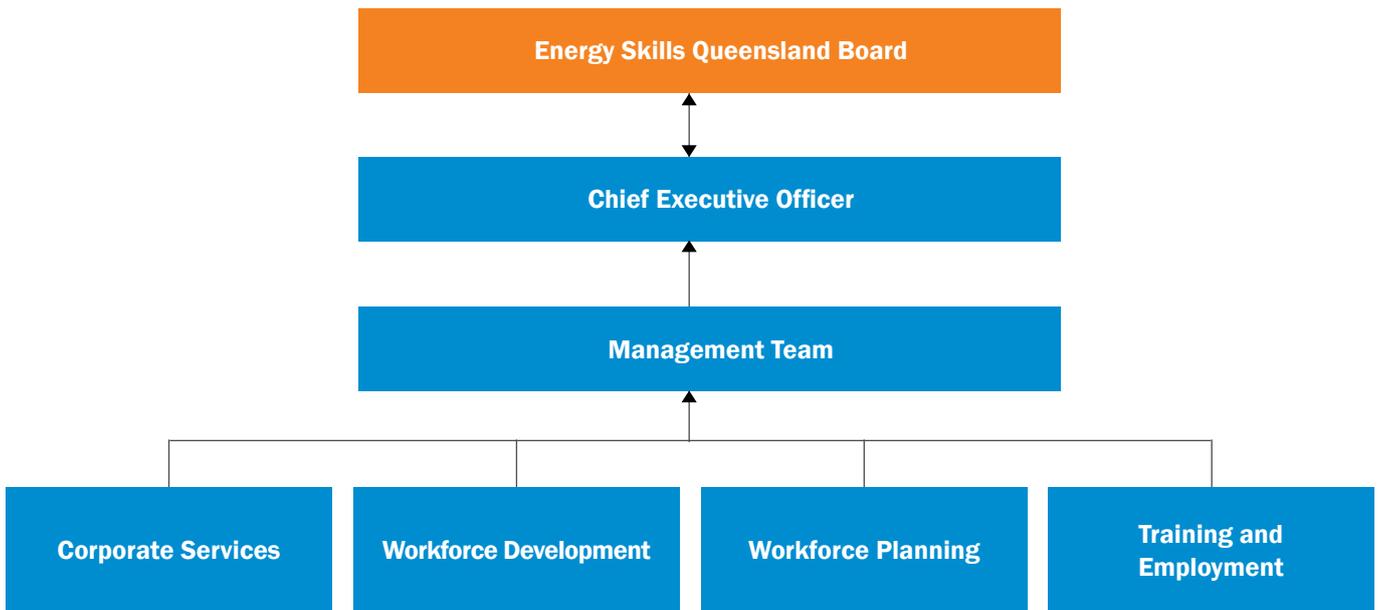
### Gas transmission and distribution

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



# Corporate Governance

## Organisational Structure



During 2016/2017, we restructured and reorganised our workforce to ensure business efficiencies.

### Energy Skills Queensland Board

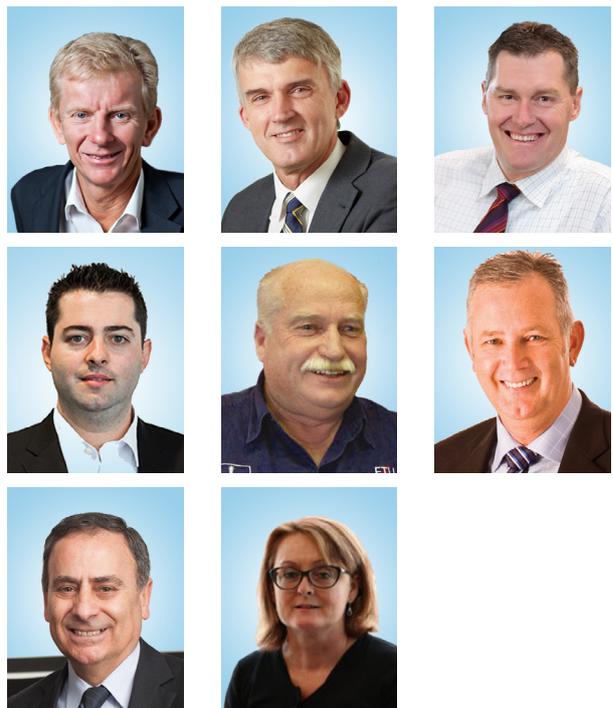
Energy Skills Queensland is an incorporated Association. The Management Committee has reporting and continuous disclosure obligations under the Associations Incorporation Act 1981.

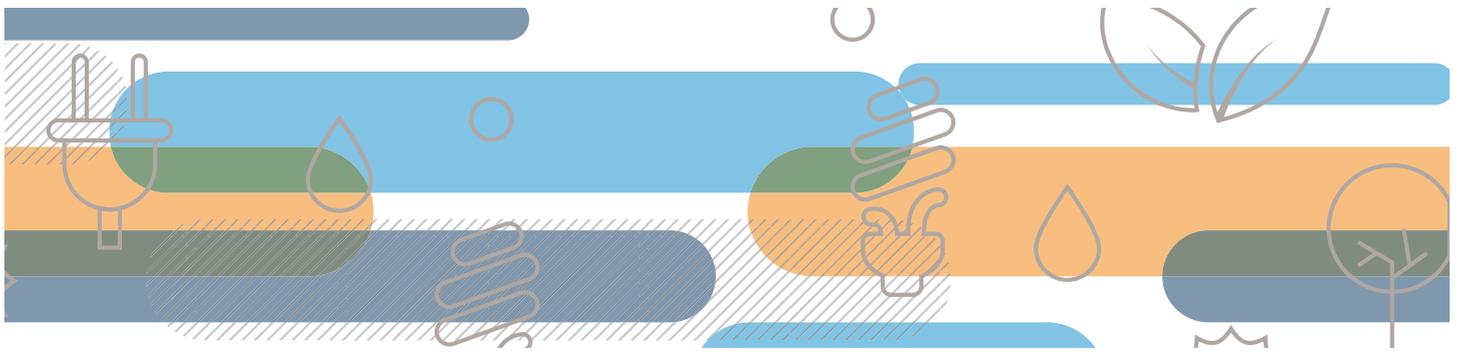
### Management structure

The 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.

### Management Committee (pictured right)

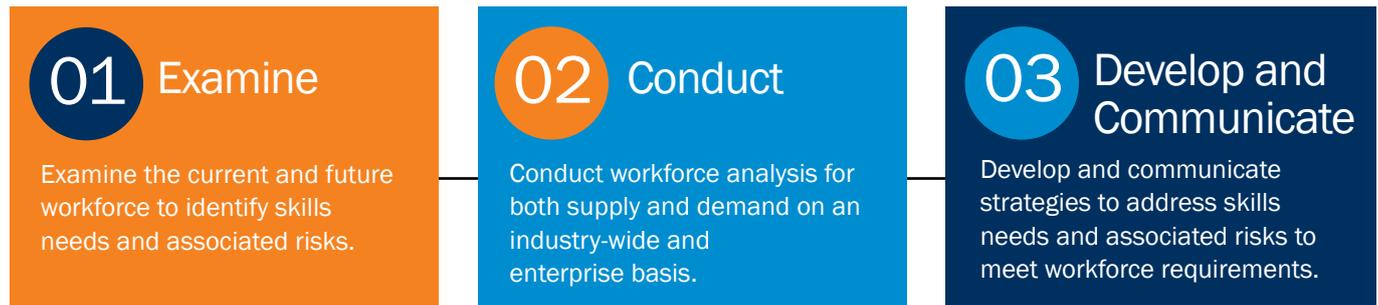
- Peter Price - Chairman
- Malcolm Richards - Deputy Chairman
- Edwin De Prinse - Treasurer
- Andrew Jacovides - Secretary
- Dick Williams
- Peter Billing
- Dominic Schipano
- Jacqueline King





# Workforce Planning

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



## Key achievements

Energy Skills Queensland assists the energy, mining and telecommunication 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:

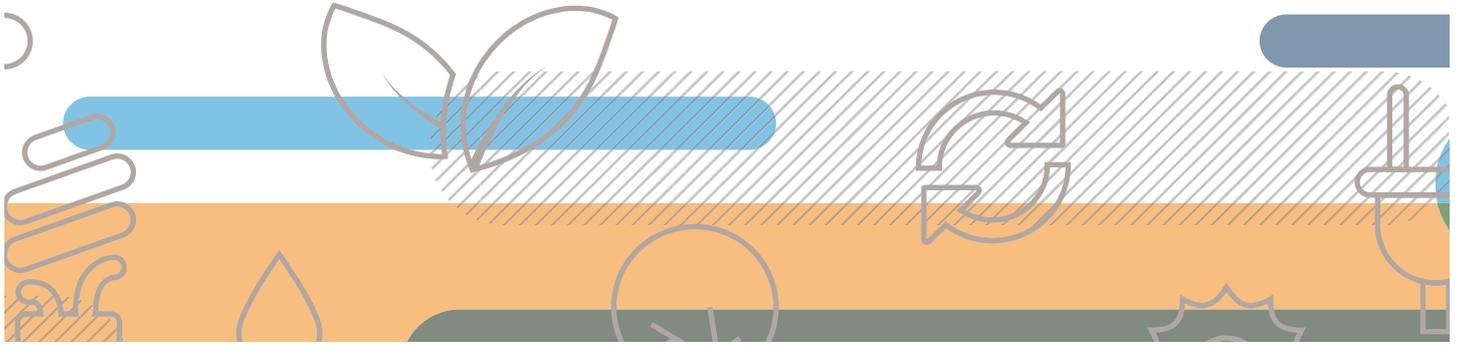
- Energy Networks Association (ENA) engaged Energy Skills Queensland to assist with the delivery of the skills, training and professional development report for the Electricity Network Transformation Roadmap project
- VET Industry Advisory Organisation for the Utilities, Telecommunications and Mining sectors in Queensland to the Department of Education and Training
- Energy Skills Queensland was engaged by industry to find an economically viable funding model to fund institutional based trade training in Queensland. The objective was that the proposed funding model should take the upfront cost pressure off the employers of apprentices and trainees.
- Facilitation of the Queensland Workforce Planning Community of Practice forum.

## Workforce planning outlook

Energy Skills Queensland will seek to complete several important industry and enterprise based workforce planning projects in 2018. 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 2017/2018. 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. **VET Industry Advisory services:** Providing the Department of Education and Training an on demand workforce planning data associated with the Utilities, Telecommunications and Mining sectors.
4. **Industry Workforce Planning:** Engaging with stakeholders across the Utilities, Telecommunications and Mining sectors to provide tailored reports to improve future workforce requirements and training for sector gaps.



# Industry Engagement

## Annual Conference 2016

The Energy Skills Queensland's Annual Conference was an opportunity for our stakeholders to build and strengthen business relationships and network with professionals from the energy, resources, telecommunications, renewables and training sectors. Encompassing the theme of 'Change | Challenge | Opportunity', the 2016 Conference covered many of the initiatives, challenges and opportunities facing the energy, resources and telecommunications industries now and into the future with informative presentations from nationally respected speakers.

Keynote speakers included:

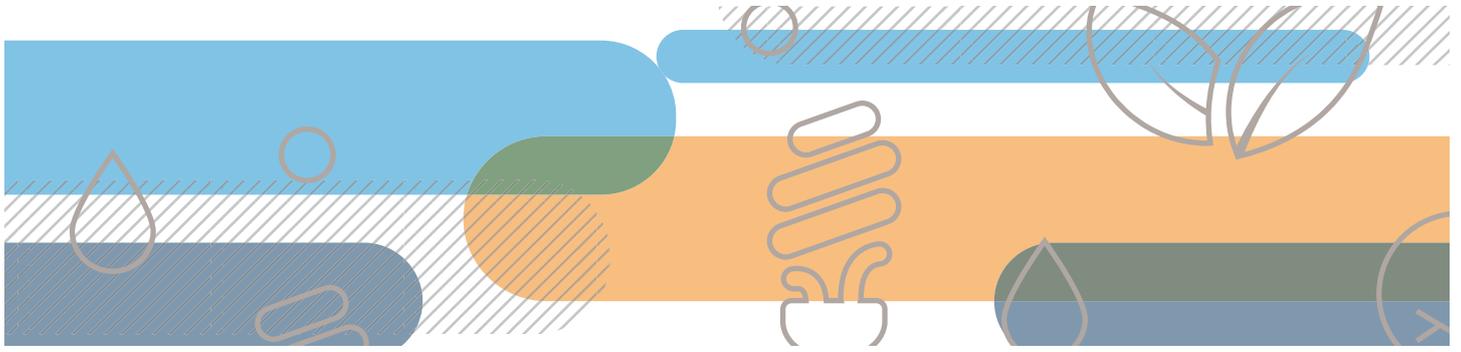
- Barry Bloch, Executive General Manager – Project Support Service BG Consulting
- Terry Effeney, CEO of Energex.
- Tara Diamond, Executive Director Industry Services Australian Mines and Metals Association's (AMMA)
- Rachel Hunter, Chair of Jobs Queensland
- Anthea Middleton, Director – Research, Strategy and Development of Energy Skills Queensland
- Tony Pearce, VP HSSE of QGC Shell Australia
- John Phillpotts, Program Manager ENTR of CSIRO
- Chris Robinson, CEO of Australian Skills Quality Authority (ASQA)
- Dominic Schipano, National Executive Officer of CITT
- Jodi Schmidt CEO of TAFE in Queensland
- Victoria Thomson, Acting Senior Director of the Electrical Safety Office
- Penelope Twemlow, CEO of Energy Skills Queensland
- Suzanne Wauchope Deputy Director-General, Training and Skills at Department of Education and Training

## Trained to Win

Running for its fourth successful year in 2017, Energy Skills Queensland hosted the 'Trained to Win' event focusing on the theme 'Digital Disruption and Emerging Technologies'. With over 65 attendees from the telecommunication, training and energy sectors, delegates heard from three renowned technologists, futurists and scientific experts.

John Phillpotts, from the CSIRO discussed the Network Transformation Roadmap, cumulative electricity system total expenditure to 2050, and the projected savings in average residential bills. Professor Peta Ashworth, Chair in Sustainable Energy Futures, explored public attitudes towards energy technologies and provided results from a large scale survey, outlining our beliefs in climate change and its causes and how Australia will respond through lifestyle choices thereby affecting energy availability and affordability. Wrapping up the presentations was Professor Chris Greig, Director of the UQ Energy Initiative and the Dow Centre for Sustainable Engineering Innovation, where he outlined the challenges facing the national and global transition of the energy sector to lower carbon. Trained to Win events are great for building industry relationships and a fantastic opportunity to strengthen business outcomes.





# Industry Engagement

## 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 2016/17 there were some 16 industry leader and training forums across the following industries:

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

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.



# 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 (RTOs), contractors and the Construction, Forestry, Mining and Energy Union (CFMEU). Participants who undertake the GI gain the requisite knowledge and skills identified by industry as being of paramount importance when working onsite.

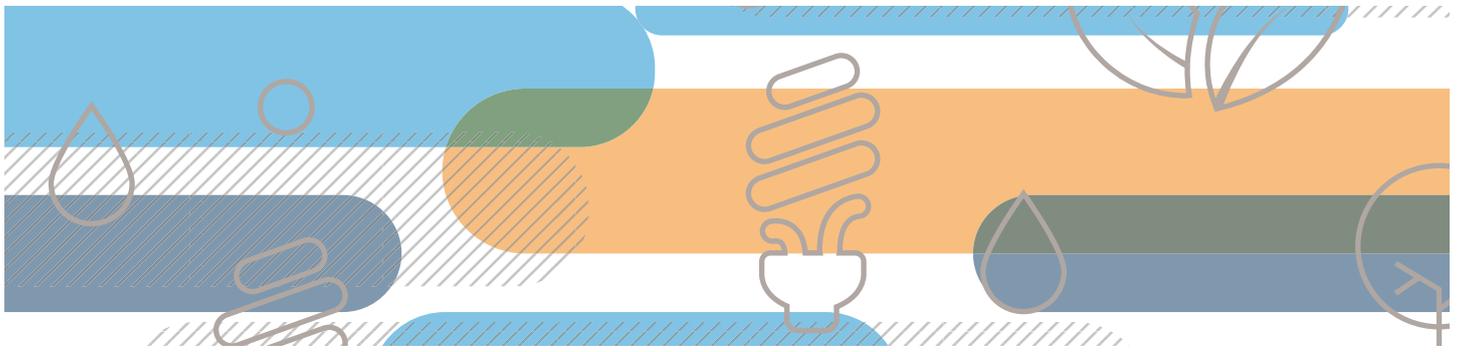
The GI ensures generic safety procedures, information and obligations, applicable on all types of worksites, are provided to workers prior to attending site. Upon arrival at site, workers are required to complete further inductions to ensure site specific information and obligations are understood.

Energy Skills Queensland developed the GI Refresher program which 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
- RIIEER205D Apply initial response first aid
- RIIEER302D 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.



## Industry Safety Induction

Following Energy Skills Queensland’s creation of the DCGI safety training program, Safer Together chose to develop a similar induction for all new workers entering the CSG to LNG industry in Queensland. This program was created in early 2016 and handed over to Safer Together for delivery to commence 1 July 2016.

Energy Skills Queensland was requested to develop an Industry Safety Induction that would drive consistency and cost efficiency in delivering safety induction training to all industry personnel. This was achieved through a two step process, firstly, development of a common agreed standard of core safety competence and a set of common agreed working behaviours for everyone working within the industry. Secondly, through development of a common agreed induction process for assessing core safety competence and behavioural requirements.



## SkillPASS

SkillPASS provides organisations with a user friendly, online application to manage safety and compliance for their employees in one location. It facilitates a high level of quality control and ensures data validity and integrity.

SkillPASS is a system that provides a cost effective solution to tracking and verifying skills for a safer, more productive workforce. SkillPASS does this through the following core functions:

- **Manage** - SkillPASS seamlessly manages workforce skills and qualifications in one secure location.
- **Track** - SkillPASS tracks expiring competencies, notifying individuals and employers when a competency, qualification or skill needs renewal.
- **Comply** - SkillPASS allows organisations to build an overview of all skills required to work on designated sites, ensuring workers are fulfilling their job requirements safely.
- **Report** - SkillPASS assists with organisational and regulatory reporting requirements in a timely and efficient manner.

SkillPASS continues to evolve through feedback from stakeholders. SkillPASS now allows access to web-based training and inductions and is conveniently able to book face-to-face training through a smartphone, tablet or computer, creating one platform for management of an organisations’ and individuals’ training.

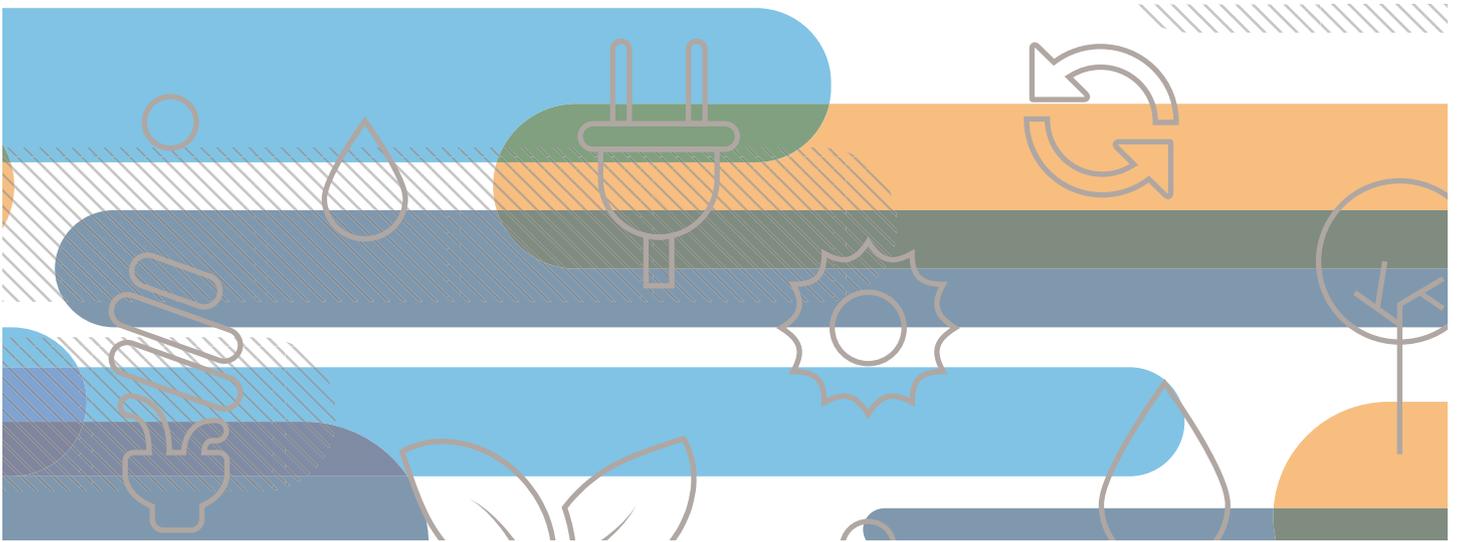
### SkillPASS Achievements

 <p><b>22,000 Active users</b></p>	 <p><b>135 Active companies</b></p>
 <p><b>1,700 Face to face training</b></p>	 <p><b>12,115 Web based training</b></p>
 <p><b>153,000 Skills uploaded</b></p>	 <p><b>5,000 Skills uploaded in last 30 days</b></p>



## 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. More rigorous audit and compliance has consistently been raised through industry consultation. In 2017/18 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.

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## 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 to 240 participants using the Queensland Workforce Skilling Strategy model across several locations including Brisbane, Ipswich, Logan, Nerang, Coolangatta, Rockhampton and Mackay. Participants were provided training in one or more subject areas of:

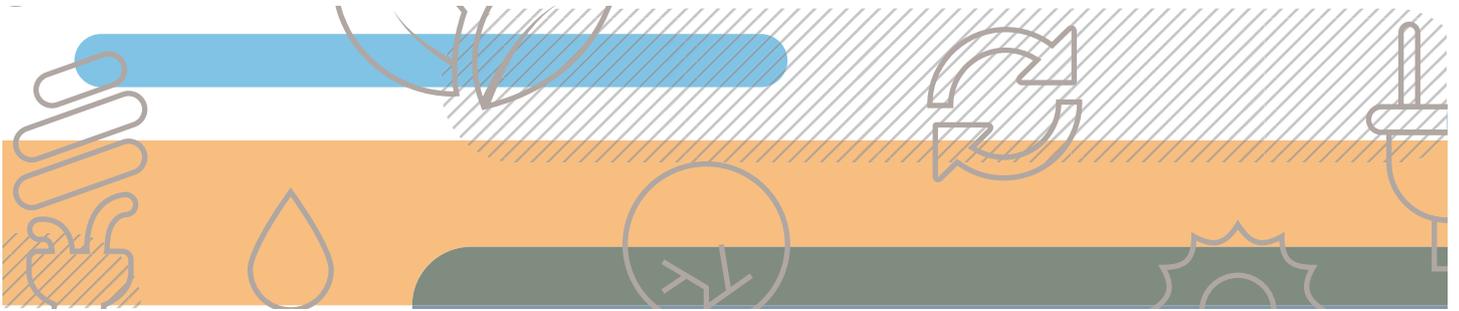
- Telecommunications
- Rail infrastructure

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.

### 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 provided to participants for the program for six months after commencing employment. As at June 2017, Energy Skills Queensland has placed 45 jobseekers into employment and has achieved 10 claimable twenty-six week employment outcomes. The VTEC contract completed on 30 June 2017.



# Financial Statements

## Income

Energy Skills Queensland is a not for profit organisation operating as an incorporated association of members. ESQ continues to provide services to stakeholders where other like organisations have closed their doors due to tougher times.

Energy Skills Queensland has reported a deficit of 114k for 2016/17. This is the third successive financial year of reported deficits.

The operating deficit of 114k for 2016/17 is an improvement on the previous year's operating deficit of \$197k for 2015/16. Total revenue for the 2016/17 financial year is \$2.9 million compared to \$1.9 million in the 2015/16 reporting period. Total revenue has shown an improvement of over \$1 million from the amount recognised in the 2015/16 reporting period. The increase in revenue is driven mainly by an increase in project management and consultancy fees. Project management and consultancy fees are driven by increase in sales of Energy Skills Queensland's SkillPASS product. Increasing non-government revenue is a positive sign for the organisation.

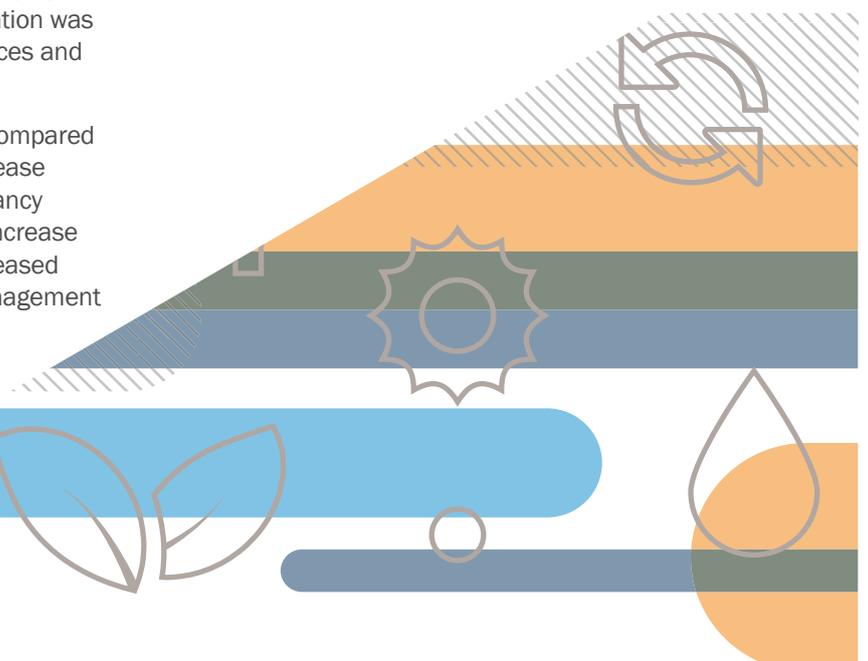
Energy Skills Queensland is not a government funded organisation, however, in the past the organisation has been heavily reliant on government tendered skills projects. During the reporting period 2016/17 the organisation was government funded to perform VET advisory services and for work Skilling Queenslanders programmes.

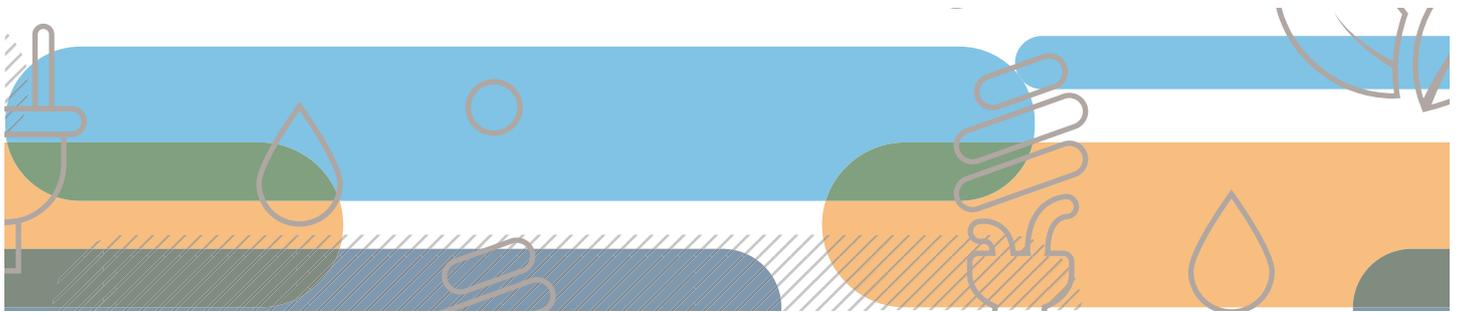
Total expenses for the 2016/17 were \$3 million compared to \$2.1 million in the previous period. A large increase of \$712,202 in Project management and consultancy expenses was the major contributor to the large increase in total operating costs. Cost reductions and increased efficiencies will continue to be a focus for the management team in 2018.

## Balance Sheet

Energy Skills Queensland is a financially sound not-for-profit organisation with the balance sheet in a healthy position due to prior year surpluses. 2016/17 financial year results show assets totalling \$4.8 million and liabilities totalling \$2.4 million - an ending equity position of \$2.4 million for the 2016/17 financial year. Energy Skills Queensland assets of 4.8 million comprise of a property located at 70 Sylvan road, intangible training assets, operating plant and equipment and cash equivalents. The strong cash and cash equivalent holdings of \$2.6 million allows ESQ to meet all its short-term creditor obligations.

Energy Skills Queensland is fortunate to have a strong balance sheet. This financial base will enable the organisation to restructure for its future and continue to lead workforce planning and workforce skills development within our core sectors.





# Audited Financial Statements 2016/2017

## Income statement for the year ended 30 June 2017

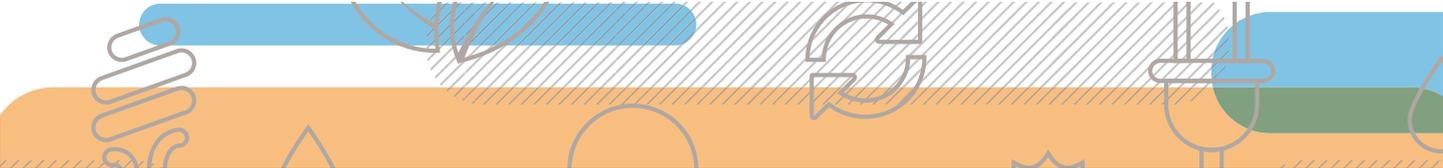
	Note	2017 (\$)	2016 (\$)
<b>Income</b>			
Brokerage related fees		-	126,374
Licensed products		387,207	313,938
Grant (local) operating		500,000	500,000
Interest received		36,281	62,154
Project management and consultancy fees		1,938,125	785,817
Sundry		80,264	116,171
<b>Total Income</b>		<b>2,941,877</b>	<b>1,904,454</b>
<b>Expenditure</b>			
Audit and accounting fees		13,296	12,000
Computer expenses		22,461	21,825
Conference expenses		40,461	87,164
Depreciation expense		402,222	169,325
Event expenses		13,858	18,741
Insurance expenses		9,168	9,037
Marketing and research		4,752	7,148
Office expenses		5,098	6,000
Postage		8,037	8,140
Printing and stationery		20,049	19,070
Project and consultancy expenses		962,388	250,186
Rent and leases		1,000	12,000
Salaries		1,167,089	1,113,345
Salaries related oncosts		120,526	128,535
Staff recruitment		1,094	4,609
Staff related expenses		3,450	7,315
Telephone expenses		40,374	40,917
Travel expenses		30,748	52,585
Other expenses	2	189,948	133,734
<b>Total expenses</b>		<b>3,056,019</b>	<b>2,101,676</b>
<b>Current year surplus</b>		<b>(114,142)</b>	<b>(197,222)</b>
<b>Accumulated surplus at the beginning of the financial year</b>		<b>2,572,347</b>	<b>2,769,569</b>
<b>Accumulated surplus at the end of the financial year</b>		<b>2,458,205</b>	<b>2,572,347</b>



# Audited Financial Statements 2016/2017

## Statement of financial position as at 30 June 2017

	Note	2017 (\$)	2016 (\$)
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	3	2,530,371	2,668,386
Accounts receivable and other debtors	4	41,014	123,268
Other assets		6,958	4,708
<b>Total Current Assets</b>		<b>2,578,343</b>	<b>2,796,362</b>
<b>Non-Current Assets</b>			
Intangible assets	5	163,621	449,147
Land, building and improvements	6	2,054,735	2,107,862
Plant and equipment	6	86,701	94,946
<b>Total Non-Current Assets</b>		<b>2,305,057</b>	<b>2,651,955</b>
<b>Total Assets</b>		<b>4,883,400</b>	<b>5,448,317</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	7	571,357	453,069
Deferred revenue	8	91,080	167,583
Provisions	9	45,362	47,706
Unacquitted grant funds	10	995,874	995,212
<b>Total Current Liabilities</b>		<b>1,703,673</b>	<b>1,663,570</b>
<b>Non-Current Liabilities</b>			
Provisions	11	9,122	-
Unacquitted grant funds	12	712,400	1,212,400
<b>Total Non-Current Liabilities</b>		<b>721,522</b>	<b>1,212,400</b>
<b>Total Liabilities</b>		<b>2,425,195</b>	<b>2,875,970</b>
<b>Net Assets</b>		<b>2,458,205</b>	<b>2,572,347</b>
<b>Equity</b>			
Accumulative funds brought forward		2,572,347	2,769,569
Current year surplus		(114,142)	(197,222)
<b>Total Equity</b>	<b>13</b>	<b>2,458,205</b>	<b>2,572,347</b>



# Audited Financial Statements 2016/2017

## Notes to the financial statements for the year ended 30 June 2017

### **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.

#### **Intangible assets - 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 2016/2017

## Notes to the financial statements for the year ended 30 June 2017

### 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.

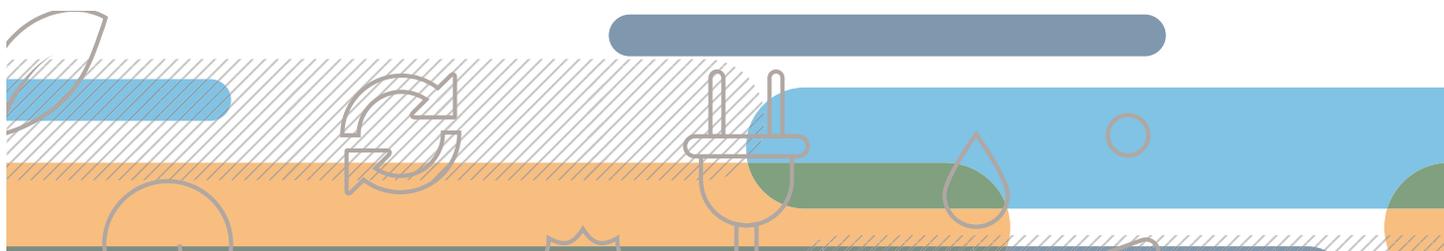
# Audited Financial Statements 2016/2017

## Notes to the financial statements for the year ended 30 June 2017

<b>Note 2: Other Expenses</b>	<b>2017 (\$)</b>	<b>2016 (\$)</b>
Bad debts	61,493	32,970
Bank charges	13,929	4,292
Body corporate fees	38,387	32,635
Cleaning/rubbish removal	7,900	8,322
Donations and gifts	2,954	2,330
Electricity expenses	18,356	15,582
Entertainment expenses	3,757	5,662
Fringe benefit tax	(1,470)	(4,889)
Hire - general	620	602
Legal	4,768	12,034
Meeting expenses	2,306	672
Motor vehicle expenses	2,151	1,719
Other expenses	20,148	4,885
Sponsorships	-	44
Subscriptions and memberships	13,671	16,260
Uniforms	975	614
<b>Total</b>	<b>189,945</b>	<b>133,734</b>

<b>Note 3: Cash and Cash Equivalents</b>	<b>2017 (\$)</b>	<b>2016 (\$)</b>
Business online saver	350,272	4,577
Cash deposit account	-	207,708
Cash management account	219,280	60,652
ING Business Optimiser	1,038,453	1,448,528
ING term deposit	618,472	604,188
Resources Training Fund (457 Visa)	303,894	342,733
<b>Total</b>	<b>2,530,371</b>	<b>2,668,386</b>

<b>Note 4: Accounts Receivable and Other Debtors</b>	<b>2017 (\$)</b>	<b>2016 (\$)</b>
Trade debtors	73,272	115,519
Trust distributions receivable	1,376	1,400
Other debtors	-	6,349
Provision for Doubtful Debts	(33,634)	-
<b>Total</b>	<b>41,014</b>	<b>123,268</b>



# Audited Financial Statements 2016/2017

## Notes to the financial statements for the year ended 30 June 2017

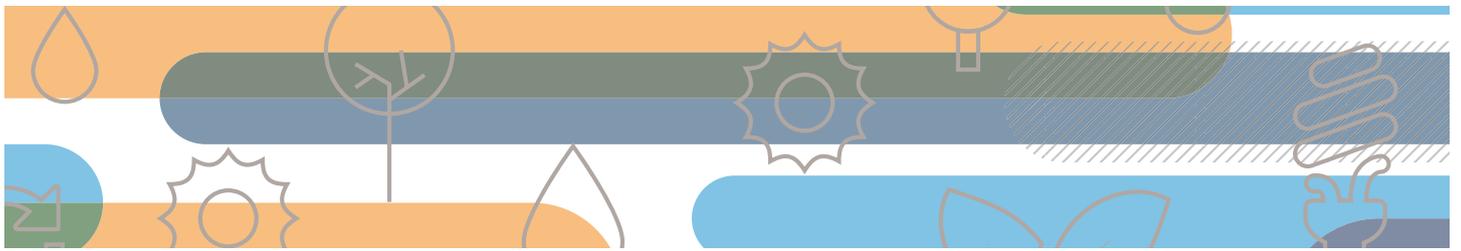
<b>Note 5: Intangible Assets</b>	<b>2017 (\$)</b>	<b>2016 (\$)</b>
Generic Induction	435,400	405,156
Less amortised	(416,705)	(221,100)
SkillPASS	223,371	221,271
Less amortised	(78,445)	(56,318)
ISI	100,138	100,138
Less amortised	(100,138)	-
<b>Total</b>	<b>163,621</b>	<b>449,147</b>

<b>Note 6: Property, Plant and Equipment</b>	<b>2017 (\$)</b>	<b>2016 (\$)</b>
Land and building – at cost	1,943,837	1,943,837
Building improvements – at cost	376,677	376,677
Less accumulative depreciation	(265,779)	(212,652)
Plant and equipment – at cost	304,965	301,813
Less accumulated depreciation	(227,540)	(213,707)
Software – at cost	264,284	252,885
Less accumulated depreciation	(255,008)	(246,045)
<b>Total</b>	<b>2,141,436</b>	<b>2,202,808</b>

### Movement in Carrying Amounts

Movement in carrying amounts for each class of fixed asset between the beginning and end of the current financial year.

<b>Land and Building</b>		
Balance at beginning of the year	2,107,862	2,161,134
Additions	-	-
Depreciation expense	(53,127)	(53,272)
<b>Subtotal</b>	<b>2,054,735</b>	<b>2,107,862</b>
<b>Property, Plant and Equipment</b>		
Balance at beginning of the year	88,106	113,196
Additions	12,969	3,788
Depreciation expense	(23,651)	(28,878)
<b>Subtotal</b>	<b>77,424</b>	<b>88,106</b>



# Audited Financial Statements 2016/2017

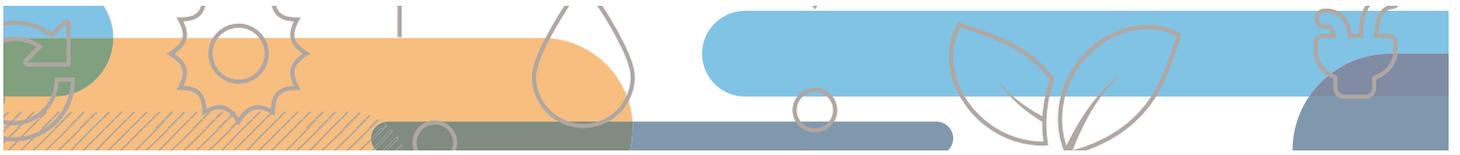
## Notes to the financial statements for the year ended 30 June 2017

<b>Note 6: Continued: Property, Plant and Equipment</b>	<b>2017 (\$)</b>	<b>2016 (\$)</b>
<b>Software</b>		
Balance at beginning of the year	6,840	9,432
Additions	11,399	6,132
Depreciation expense	(8,962)	(8,724)
<b>Subtotal</b>	<b>9,277</b>	<b>6,840</b>
<b>Total</b>	<b>2,141,436</b>	<b>2,202,808</b>

<b>Note 7: Trade and Other Payables</b>	<b>2017 (\$)</b>	<b>2016 (\$)</b>
457 Visa Training Fund	345,829	339,597
Accrued expenses and other creditors	44,465	25,630
Goods and services tax payable	16,854	(491)
PAYG	17,918	21,522
Payroll tax payable	(4,580)	199
Superannuation payable	23,118	27,609
Trade creditors	127,753	39,003
<b>Total</b>	<b>571,357</b>	<b>453,069</b>

<b>Note 8: Deferred Revenue</b>	<b>2017 (\$)</b>	<b>2016 (\$)</b>
ESQ Events	23,833	11,085
GI Annual Licence Fees	17,500	3,414
SkillPASS Renewal	49,747	153,084
<b>Total</b>	<b>91,080</b>	<b>167,583</b>

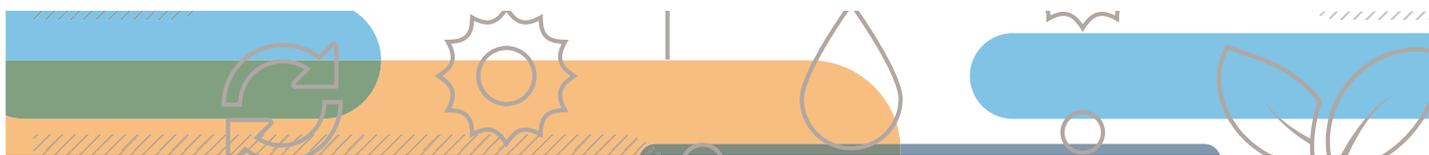
<b>Note 9: Provisions</b>	<b>2017 (\$)</b>	<b>2016 (\$)</b>
Annual leave	43,257	47,706
FBT	2,105	-
<b>Total</b>	<b>45,362</b>	<b>47,706</b>



# Audited Financial Statements 2016/2017

## Notes to the financial statements for the year ended 30 June 2017

<b>Note 10: Unacquitted Grant Funds</b>	2017 (\$)	2016 (\$)
<b>Operating Grants</b>		
Centre of excellence grant	500,000	500,000
<b>Total Operating Grants Unacquitted</b>	<b>500,000</b>	<b>500,000</b>
<b>Project Grants</b>		
DET VET Services 2427	409,725	209,425
Less expended	(361,862)	(209,425)
	<b>47,863</b>	-
ENA Research Project	40,000	-
Less expended	(40,000)	-
	-	-
Future Skills WFP Project	25,000	-
Less expended	(25,000)	-
	-	-
Future Skills Insurance Project	68,500	68,500
Less expended	(68,500)	(58,225)
	-	<b>10,275</b>
SQW - MT2350 - Rail	96,670	-
Less expended	(4,629)	-
	<b>92,041</b>	-
Industry Partnership Strategy	323,818	323,818
Less expended	(323,818)	(93,978)
	-	<b>229,840</b>
SQW - MT 1716 Telco	42,000	-
Less expended	(5,324)	-
	<b>36,676</b>	-
SQW - CQ770	180,000	126,000
Less expended	(180,000)	(126,000)
	-	-
SQW - FN 2267 - Telco	35,070	-
Less expended	(964)	-
	<b>34,106</b>	-
SQW - SE1674 - Telco	84,000	-
Less expended	(47,147)	-
	<b>36,853</b>	-



# Audited Financial Statements 2016/2017

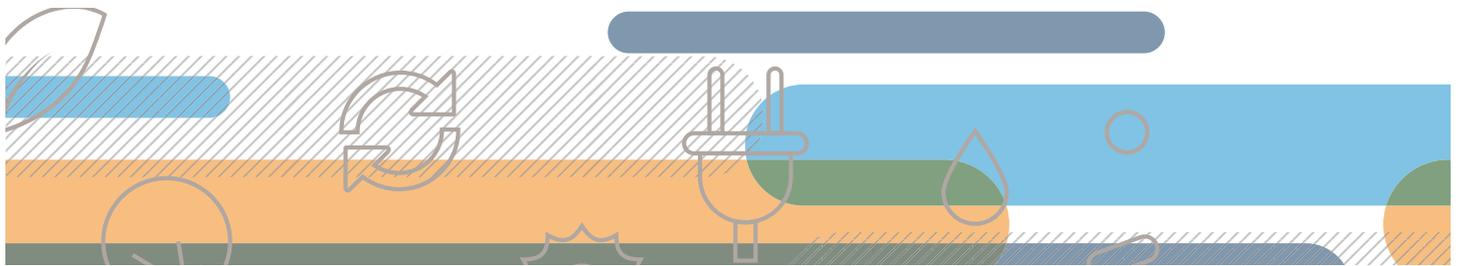
## Notes to the financial statements for the year ended 30 June 2017

<b>Note 10: Continued Unacquired Grant Funds</b>	2017 (\$)	2016 (\$)
<b>Project Grants</b>		
SQW - SE2263 - Telco	58,800	-
Less expended	-	-
	<b>58,800</b>	-
SQW - 1184 & 1186 - Rail	402,400	133,420
Less expended	(402,400)	(4,000)
	-	<b>129,420</b>
SQW - CQ1642 - Telco	84,000	-
Less expended	(61,797)	-
	<b>22,203</b>	-
SQW - CQ2215 - Rail	100,170	-
Less expended	(4,339)	-
	<b>95,831</b>	-
VTEC	171,000	171,000
Less expended	(99,499)	(45,323)
	<b>71,501</b>	<b>125,677</b>
<b>Total Project Grants Unacquired</b>	<b>495,874</b>	<b>495,212</b>
<b>Total Unacquired Grant Funds (current)</b>	<b>995,874</b>	<b>995,212</b>

<b>Note 11: Provision (Non-Current)</b>	2017 (\$)	2016 (\$)
Long service leave	9,122	-
<b>Total</b>	<b>9,122</b>	-

<b>Note 12: Unacquired grant funds (Non-Current)</b>	2017 (\$)	2016 (\$)
Centre of Excellence grant	4,467,000	4,467,000
Less expended	(3,754,600)	(3,254,600)
<b>Total</b>	<b>712,400</b>	<b>1,212,400</b>

<b>Note 13: Accumulative Funds</b>	2017 (\$)	2016 (\$)
Brought forward as at 1 July 2016	2,572,347	2,769,569
Surplus/(Deficit) for the year	(114,142)	(197,222)
<b>Carried forward as at 30 June 2017</b>	<b>2,458,205</b>	<b>2,572,347</b>



# Audited Financial Statements 2016/2017

## Notes to the financial statements for the year ended 30 June 2017

Note 14: Leasing Commitments	2017 (\$)	2016 (\$)
<b>Operating Lease Commitments</b>		
- not later than 12 months	3,090	3,090
- between 12 months and five years	5,408	8,498
Minimum lease payments	<b>8,498</b>	<b>11,588</b>

### Note 15: 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 these 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:

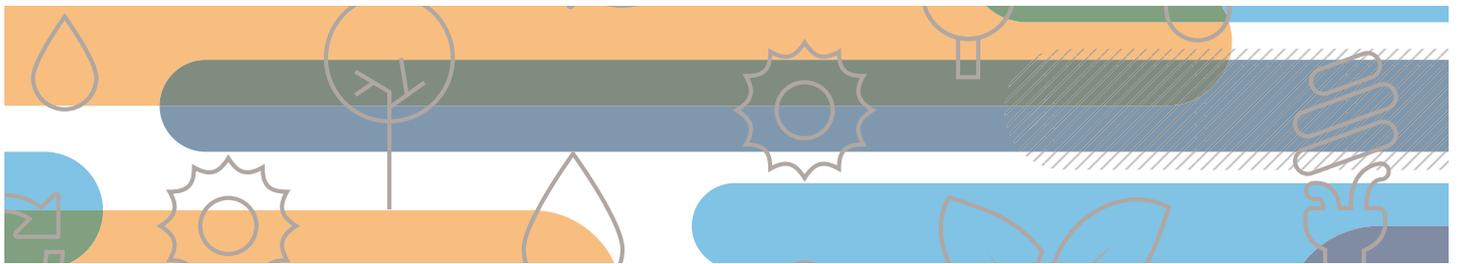
- Presents a true and fair view of the financial position of Energy Skills Queensland Incorporated as at 30 June 2017, and its performance for the year ended on that date.
- At the date of this statement, there are reasonable grounds to believe that Energy Skills Queensland Incorporated will be able 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  
**Chairman**

Edwin De Prinse  
**Treasurer**

Date: 31 August 2017



# Independent Audit Report

## To the members of Energy Skills Queensland Inc.

### Opinion

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 2017, 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.

In our opinion, the financial report presents fairly, in all material respects, the financial position of Energy Skills Queensland Inc. as at 30 June 2017 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 for Opinion

We 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 about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the Auditor's Responsibility section of our report.

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

### Emphasis of Matter -

#### 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.

### Committee's Responsibilities 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.

In preparing the financial report, the Committee is responsible for assessing the ability of the Association to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

### PKF Hacketts Audit

Liam J Murphy, Partner

Date: 31 August 2017



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