energyskills queensland

2017 | 2018
Annual Report

A Message from the Energy Skills Queensland Chair

In 2017/18 Energy Skills Queensland (ESQ) concluded its tenth year as a Centre for Energy Excellence. In doing so it maintains its reputation as a highly respected organisation at the forefront of developing solutions to help industry plan and develop their workforce for the future.

With a focus on Electrotechnology, Telecommunications, Oil & Gas, as well as Mining, ESQ continued to work hard to harness the views of these key industries, reinforcing its role as an important conduit between industry and governments.

As in past years, the organisation has continued to offer its much-coveted events in Electrotechnology and Telecommunications, as well as the significant reach we have in skilling disadvantaged Queenslanders for work. In many other ways however, the 2017/18 Year has proved to be a watershed year.

Three chief executive officers spanned the year with the departure of Ms Penelope Twemlow and the appointment of a permanent CEO in Mr David Cross at the end of February 2018. I note the contribution and strong support of Mr Peter Billing as Acting CEO in the interim three-month period between these two appointments and thank him sincerely for his leadership.

Other members of the Board helped staff maintain momentum through this period of significant change. Whilst Peter helped bed in several new team members following the loss of some key personnel in the 12 months prior, Ms Jacqueline King delivered a strong assessment of the electrical apprenticeship landscape and with the support of the incoming CEO gained the attention and galvanised the support of key stakeholders in preparing a long-awaited proposal for a Queensland-based School Leavers Electrical Apprenticeship Pilot Program.

This proposal had been long talked about but had yet to be fully examined, captured and formalised. As the year closed the proposal emerges as a real opportunity having attracted the support of Construction Skills Queensland and the interest of State Government. Additional interest has emerged as well from groups such as Master Electricians Australia, the National Electrical Contractors Association (Queensland), and the Electrical Trades Union. The TAFE Sector too – specifically SkillsTech – has worked closely with the ESQ team to prepare a potential program to assist both employers and prospective apprentices alike in embarking on a successful future in the Electrical Sector. ESQ is confident that the 2018/19 Financial Year will see the commencement of this Pilot Program after years of dialog.

Notwithstanding the impact of change, the organisation has delivered a pleasing positive bottom line despite forecasting a budget shortfall at the outset of the year. Much of this can be accredited to some difficult decision making by the Board and a strong effort from a core group of ESQ staff. Revenues were higher than budgeted, and the difficult but prudent cost cutting and solid budget management turned the expected deficit around. I thank all concerned.

The Board noted and would like to thank, the very significant contributions of Mr Dick Williams who decided to finish up with the ESQ Board in 2017. Dick had been instrumental in the prospect of a School Leavers Electrical Apprenticeship Pilot Program among the many achievements he oversaw in his 10-plus years as a key member of the ESQ Board. Mr Peter Billing also finished up his time with the ESQ Board, providing significant help in the interim period of change over the 2017/18 Summer. I thank Peter as well as Dick for their commitment and respective contributions.

ESQ also formally welcomed two new members to the Board in Ms Belinda Watton and Mr Scott Reichman. Both provided a wealth of practical experience and energy expertise in their first year on the ESQ Board; Belinda drawing from her current involvement at Energy Queensland as Chief Transformation Officer, and Scott from his role as Queensland and Northern Territory Organiser - Apprentice Coordinator at the Electrical Trades Union (ETU).

In closing, I wish to thank each and every one of the members of the ESQ Board who worked tirelessly in the interests of our Members and ESQ's quest to make a difference in the Energy Sector. Each member provided important guidance and counsel to the organisation and to me as Chair, and it is hoped that this will continue as this decade comes to a close and a new decade dawns. The efforts of the ESQ Board along with those of the CEOs and of the staff has given renewed confidence to those that rely on our collaborative and coordinating role.

Augurs well for a strong and successful 2018/19 following this watershed year. The ongoing commitment of the broader ESQ Membership is greatly appreciated and I look forward to that continuing into the future.

Mr Peter Price

Chairperson
Energy Skills Queensland

"Energy Skills Queensland (ESQ) concluded its tenth year as a Centre for Energy Excellence. In doing so it maintains its reputation as a highly respected organisation at the forefront of developing solutions to help industry plan and develop their workforce for the future. "

A Message from the Energy Skills Queensland CEO

As the newcomer to Energy Skills Queensland (ESQ) my first impression was that of an organisation with a strong brand presence and a solid market reputation. Stakeholders were quick to reinforce to me ESQ's key role as a conduit for collaboration, cooperation and communication; reciting a history of operating at a high level in helping industry plan and develop their future workforce. Ten years in, ESQ continues to offer an important independent channel and point of liaison for both industry and governments.

Operationally, the combined efforts of three chief executive officers as well as the Board and staff saw a much stronger than budgeted financial result. In fact, the organisation delivered a turnaround from budget of over $400,000 leaving it in much better equity position in 2017/18 than originally predicted. Staff are to be congratulated for their efforts amid a changing landscape of leadership.

That said, a closer look at the result indicates a continuing need for focus and effort over at least the next 18 months. Underlying indicators reveal a significant fall in the revenue base highlighting the important challenges ahead for ESQ. We must meet these and the more immediate pending loss of the remaining Centre of Energy Excellence grant monies, with complementary and sustainable revenue alternatives. We will also need to move quickly – as we have – to maximise existing income streams and leverage our products. In short, we must position the organisation to meet ESQ Members' needs and maintain its place and relevance in the Energy and Telecommunications Sectors.

To assist, and as the Financial Year drew to a close, the ESQ Board signed-off on a new three-year ESQ Strategic Plan setting out key milestones and performance objectives for the period 2018-2020. Cascading from this, staff have also signed-off on their Operational Plans as well as a focused Stakeholder Engagement Plan. This will provide a clear pathway for all on what is required to achieve a sustainable future.

The Plan reinforces ESQ's three key performance areas - namely Workforce Planning & Development, Workforce Skilling, and its complementary Products. Efforts began late in the Financial Year (June 2018) to deliberately build ESQ's SkillPASS product uptake. This effort continues. As well, specific effort was channelled into improving relations in the Oil & Gas Sector, and to enhance ESQ's role in the future of Telecommunications – mainly through a focus on the Artificial Intelligence and the Internet-of-Things (IoT). IoT Skills Australia as a brand was registered and will be the medium through which ESQ will launch this strategy.

As a not-for-profit organisation, ESQ's performance must be measured much more in outcomes than it should be financially, although without financial stability and sustainability outcomes cannot be long term in nature. With that in mind, and after a decade of industry discussion, it was pleasing to be part of the final work on the electrical apprenticeship pilot proposal. With the support of key industry groups this long-awaited proposal for a Queensland-based School Leavers Electrical Apprenticeship Pilot Program is likely to get underway in the new financial year.

Outcomes in the area of Workforce Skilling has been a very positive feature of the 2017/18 Year. ESQ continued to impact positively on a number of long term unemployed, disadvantaged and indigenous groups, facilitating meaningful training and regional employment opportunities for them in rail and energy. Overall, ESQ managed nine Skilling Queenslanders for Work (SQW) programs across the Financial Year. This involved 188 individuals, mostly from Central Queensland. This work set the organisation up well to win six of six tender submissions (April 2018) with a number of them involving solar farm construction – a first for the organisation. SQW remains an important undertaking of ESQ.

Throughout 2017/18 staff continued to build on the professional Electrotechnology Industry Leaders Forums, engaging/re-engaging many key groups important to the Sector. This journey continues and will assist ESQ achieve its vision of an organisation that is agile, reliable and an industry leader. The organisation has developed a strong vision for this sector.

ESQ continued to be active in its Technical Advisory Committee (TAC) representation roles; one in UEE Refrigeration & Air Conditioning, the other in UEE ESI Transmission, Distribution and Rail. The role on the TACs balance the ongoing role ESQ plays on the Industry Reference Committee (IRC) - ESI Transmission, Distribution and Rail.

Of course, the IRC and TAC involvements complement the central role ESQ continues to perform for the Energy Sector in providing quality Workforce Planning outcomes. Work this Financial Year included reports for Jobs Queensland and Construction Skills Queensland. ESQ's ongoing commitment to the Department of Employment, Small Business and Training (DESBT) in its role as a Vocational Education & Training Industry Advisory Organisation (VETIAO) continued throughout 2017/18 with positive feedback received from DESBT.

Working in conjunction with Energy Queensland, ESQ's management and coordination of the 'Mates in Energy' Program (a program supporting mental health in the Electrotechnology Sector) was a significant highlight. It leveraged a number of smaller marketing initiatives including the review and redevelopment of collateral materials and the ESQ Website.

SkillPASS continued to grow with 23,252 active user profiles. However the 5,382 courses conducted in 2017/18 (half of that of the year prior) and the 195 training bookings (a fraction of the year prior) was disappointing. Much of this can be attributed to the restructure of Origin Gas, and little could be done by ESQ. These numbers can expect to improve as this restructure settles down. SkillPASS will also continue to strengthen as ESQ begins to bring the APA Group's staff and contractors onto SkillPASS including those from three States - Queensland, South Australia and Victoria. This effort will continue into the new financial year.

I wish to thank each and every member of staff as well as members of the ESQ Board, who have welcomed me to the organisation but more importantly, who have worked diligently throughout 2017/18 to deliver for ESQ's members, for the energy, telecommunications and mining industries, and for the vocational education and training sector.

There is still much to be done to build a sustainable future; one that provides a strong foundation from which to launch a fruitful and successful next ten years.

David Cross
Chief Executive Officer
Energy Skills Queensland

Making a Difference

A Centre for Energy Excellence and leading, independent, not-for-profit organisation providing innovative, cost effective solutions to help enable a skilled, sustainable and safe energy industry.

Supporting the electrotechnology, oil & gas, mining, and telecommunications sectors, ESQ acts as the conduit for collaboration, cooperation and communication, advocating and assisting industry and government prepare for change in workforce planning and skills development.

Three key performance areas:

- Workforce Planning & Development
- Workforce Skilling
- Complementary energy products and services such as SkillPASS, timely advice and assistance, as well as bespoke research and analysis

As a Centre for Energy Excellence, ESQ seeks to deliver capable, reliable industry leadership.

People Make the Difference

Through its people Energy Skills Queensland offers:

- A core of committed professional outcomes
- A reputation as an independent 'go to' Energy Knowledge Hub
- Growing revenues for a sustainable future

Core behaviours:

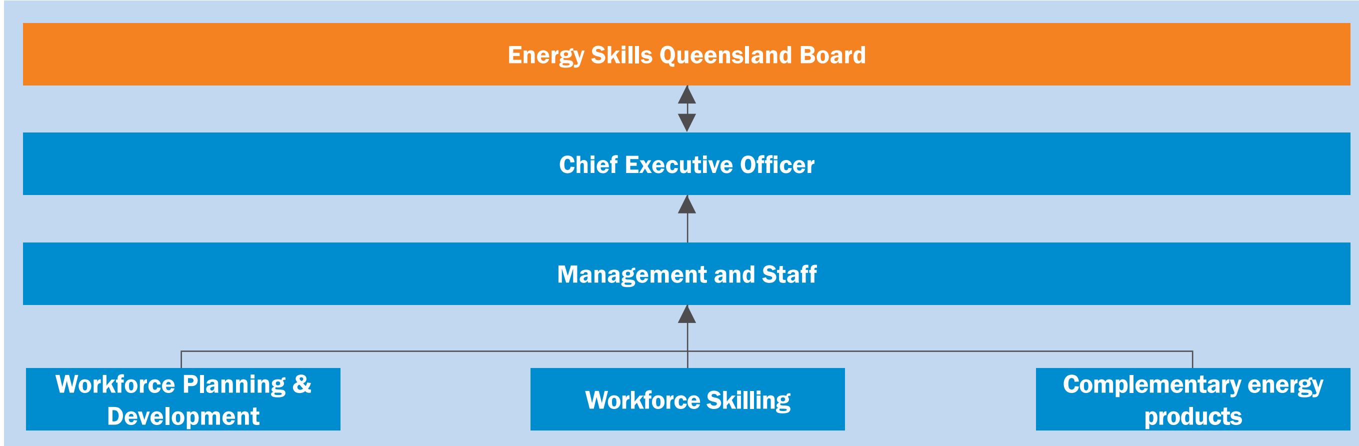
Energy Skills Queenslands embraces the following behaviours:

- Positive Intent
- Positive **SPIRIT**
  - ✓ **S**afe
  - ✓ **P**rofessional
  - ✓ **I**ntegrity
  - ✓ **R**espect
  - ✓ **I**nnovative
  - ✓ **T**rustworthy
- Positive Team

Corporate Governance

Organisational Structure

During 2017/18, we restructured and reorganised our workforce to ensure business effectiveness and efficiency.



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 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
- David Cross - Chief Executive Officer / Secretary
- Belinda Watton
- Jacqueline King
- Dominic Schipano
- Scott Reichman

Pictured: Peter Price, Malcolm Richards, Edwin De Prinse, David Cross, Belinda Watton, Jacqueline King, Dominic Schipano and Scott Reichman.

Summary of Financial Statements

Profit and Loss Summary

Energy Skills Queensland's operating performance for the 2017/18 financial year has resulted in a $296 thousand surplus. This is a positive financial result for the organisation as the last year Energy Skills Queensland achieved a surplus was 2013/14. As a not-for-profit organisation it is vital that Energy Skills Queensland continues to produce surpluses to ensure financial sustainability.

The surplus result for 2017/18 represents an improvement of $411 thousand from the deficit of $114 thousand for the year ended 30 June 2017. The large turnaround can be attributed to management of income producing assets and management of staffing costs.

Energy Skills Queensland has navigated through a tough period of uncertainty caused by government and industry changes. The external operating environment is still uncertain, and Energy Skills Queensland will need to be agile to strategically position itself for the future. During the period the board welcomed new management staff, who have the task of revising the strategic direction of the organisation to deliver both sustainable sources of revenue and to improve the engagement of our stakeholders.

The total income of $2.1 million is comprised mainly of project management fees and the centre of excellence operating grant. The end of year income result is down $882 thousand from the previous reporting period. This decline was driven by a decline in SkillPASS revenue as well as a decline in licenced product revenue. Increasing overall revenue in the future will be achieved by adding new revenue streams, and improving the revenue streams from existing services, which will continue to represent the majority of revenue.

Energy Skills Queensland is not a government funded organisation, however, traditionally the organisation has been heavily reliant on government tendered skills projects. Government revenue accounted for 56% of revenue in 2017/18 as opposed to 42% of revenue in 2016/17.

Total expenses for 2017/18 amounted to $1.8 million. Staffing costs accounted for 43% of total expenses in 2017/18 as opposed to 38% of total expenses in 2016/17. The reduced revenue has required a reduction in spending of $1.3 million from the previous period across the following areas: $424 thousand reduction in project expenses, $397 thousand reduction in staffing costs and $287 thousand reduction in impairment of intangible assets.

As the organisation builds capacity to increase service offerings to stakeholders, it is imperative that expenditure management continues to be a priority focus.

Balance Sheet Summary

Energy Skills Queensland's balance sheet is in a strong position as at 30 June 2018 due to the strong current year results and existing accumulated funds. 2017/18 financial year results show assets totalling $4.2 million and liabilities totalling $1.4 million, resulting in total equity for the organisation of $2.8 million.

Assets exceeding $4.2 million are comprised of a commercial property located at 70 Sylvan road valued at $2 million, intangible training assets valued at $122 thousand and cash equivalents balance of $1.9 million. The large cash equivalent holdings of $1.9 million allows the organisation the luxury of being able to capitalise and invest in projects on demand. Utilising all assets to their full income producing potential will be a focus in the future. This includes subletting of the commercial premises at Sylvan road and more effectively promoting intangible assets like SkillPASS.

Liabilities for 2017/18 total $1.4 million and do not comprise any financial institution debt. $844 thousand of the organisation's liability is attributed to unacquitted government grants for projects that have commenced, but as at 30 June, were not completely finalised.

In conclusion, Energy Skills Queensland is well positioned financially to continue to lead workforce planning and workforce development initiatives that will service industries within the energy and telecommunications sectors.

Andrew Jacovides
Director - Finance and Corporate Services
Energy Skills Queensland

Audited financial statements 2017/2018

Income statement for the year ended 30 June 2018

	Note	2018 ($)	2017 ($)
Income			
Brokerage related fees		-	-
Licensed products		133,359	387,207
Grant (local) operating		500,000	500,000
Interest received		29,173	36,281
Project management and consultancy fees		1,407,609	1,938,125
Sundry		10,733	80,264
Total Income		**2,080,874**	**2,941,877**
Expenditure			
Audit and accounting fees		13,170	13,296
Computer expenses		34,201	22,461
Conference expenses		9,283	40,461
Depreciation expense		114,880	402,222
Event expenses		7,374	13,858
Insurance expenses		10,148	9,168
Marketing and research		17,558	4,752
Office expenses		6,091	5,098
Postage		8,345	8,037
Printing and stationery		18,590	20,049
Project and consultancy expenses		538,239	962,388
Rent and leases		-	1,000
Salaries		769,972	1,167,089
Salary related oncosts		69,970	120,526
Staff recruitment		1,726	1,094
Staff related expenses		5,476	3,450
Telephone expenses		24,783	40,374
Travel expenses		42,777	30,748
Other expenses	2	91,329	189,948
Total expenses		**1,783,912**	**3,056,019**
Current year surplus / (deficit)		**296,962**	**(114,142)**
Accumulated surplus at the beginning of the financial year		2,458,205	2,572,347
Accumulated surplus at the end of the financial year		**2,755,167**	**2,458,205**

Audited financial statements 2017/2018

Assets and liabilities as at 30 June 2018

	Note	2018 ($)	2017 ($)
Assets			
Current Assets			
Cash and cash equivalents	3	1,928,666	2,530,371
Accounts receivable and other debtors	4	69,885	41,014
Other assets		4,311	6,958
Total Current Assets		**2,002,862**	**2,578,343**
Non-Current Assets			
Intangible assets	5	122,589	163,621
Land, building and improvements	6	2,001,248	2,054,735
Plant and equipment	6	54,113	86,701
Total Non-Current Assets		**2,177,950**	**2,305,057**
Total Assets		**4,180,812**	**4,883,400**
Liabilities			
Current Liabilities			
Trade and other payables	7	522,203	571,357
Deferred revenue	8	5,000	91,080
Provisions	9	32,848	45,362
Unacquitted grant funds	10	631,510	995,874
Total Current Liabilities		**1,191,561**	**1,703,673**
Non Current Liabilities			
Provisions	11	21,684	9,122
Unacquitted grant funds	12	212,400	712,400
Total Non Current Liabilities		**234,084**	**721,522**
Total Liabilities		**1,425,645**	**2,425,195**
Net Assets		**2,755,167**	**2,458,205**
Equity			
Accumulative funds brought forward		2,458,205	2,572,347
Current year surplus		296,962	(114,142)
Total Equity	**13**	**2,755,167**	**2,458,205**

Audited financial statements 2017/2018

Notes to financial statements for the year ended 30 June 2018

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 ⅔ years calculated under the diminishing value basis
- Plant and equipment – 3-10 years calculated under the diminishing value basis
- Software – 2 ½ 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 2017/2018

Notes to financial statements for the year ended 30 June 2018

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 2017/2018

Notes to financial statements for the year ended 30 June 2018

Note 2: Other Expenses	2018 ($)	2017 ($)
Bad debts	(21,768)	61,493
Bank charges	10,903	13,930
Body corporate fees	42,790	38,387
Cleaning/rubbish removal	6,930	7,900
Donations and gifts	171	2,954
Electricity expenses	15,169	18,356
Entertainment expenses	3,308	3,757
Fringe benefit tax	3,365	(1,470)
Hire – general	1,968	620
Legal	1,572	4,768
Meeting expenses	91	1,669
Motor vehicle expenses	1,648	2,151
Other expenses	9,133	20,787
Subscriptions and memberships	14,925	13,671
Uniforms	1,124	975
Total	**91,329**	**189,948**

Note 3: Cash and Cash Equivalents	2018 ($)	2017 ($)
Business online saver	15	350,272
PayPal	212	-
Cash management account	106,267	219,280
ING Business Optimiser	802,288	1,038,453
ING Term Deposit	632,467	618,472
Resources Training Fund (457 Visa)	387,417	303,894
Total	**1,928,666**	**2,530,371**

Note 4: Accounts Receivable and Other Debtors	2018 ($)	2017 ($)
Trade debtors	72,323	73,272
Trust distributions receivable	1,178	1,376
Provision for Doubtful Debts	(3,616)	(33,634)
Total	**69,885**	**41,014**

Audited financial statements 2017/2018

Notes to financial statements for the year ended 30 June 2018

Note 5: Intangible Assets	2018 ($)	2017 ($)
Generic Induction	435,400	435,400
Less amortised	(435,400)	(416,705)
SkillPASS	223,371	223,371
Less amortised	(100,782)	(78,445)
Total	**122,589**	**163,621**

Note 6: Property, Plant and Equipment	2018 ($)	2017 ($)
Land and building – at cost	1,943,837	1,943,837
Building improvements – at cost	376,677	376,677
Less accumulative depreciation	(319,266)	(265,779)
Plant and equipment – at cost	188,374	304,965
Less accumulated depreciation	(138,601)	(227,540)
Software – at cost	264,284	264,284
Less accumulated depreciation	(259,944)	(255,008)
Total	**2,055,361**	**2,141,436**
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	2,054,735	2,107,862
Additions	–	-
Depreciation expense	(53,487)	(53,127)
Sub-total	**2,001,248**	**2,054,735**
Property, Plant and Equipment		
Balance at beginning of the year	77,424	88,106
Additions	649	12,969
Depreciation expense	(28,300)	(23,651)
Sub-total	**49,773**	**77,424**

Audited financial statements 2017/2018

Notes to financial statements for the year ended 30 June 2018

Note 6: Continued: Property, Plant and Equipment	2018 ($)	2017 ($)
Software		
Balance at beginning of the year	9,277	6,840
Additions	-	11,399
Depreciation expense	(4,937)	(8,962)
Sub-total	**4,340**	**9,277**
Total	**2,055,361**	**2,141,436**

Note 7: Trade and Other Payables	2018 ($)	2017 ($)
457 Visa Training Fund	406,889	345,829
Accrued expenses and other creditors	56,664	44,465
Goods and services tax payable	12,509	16,854
PAYG Withholding	14,150	17,918
Payroll Tax Payable	-	(4,580)
Superannuation Payable	-	23,118
Trade creditors	31,991	127,753
Total	**522,203**	**571,357**

Note 8: Deferred Revenue	2018 ($)	2017 ($)
ESQ Events	5,000	23,833
GI Annual Licence Fees	-	17,500
SkillPASS Renewal	-	49,747
Total	**5,000**	**91,080**

Note 9: Provisions	2018 ($)	2017 ($)
Annual leave	32,583	43,257
FBT	265	2,105
Total	**32,848**	**45,362**

Audited financial statements 2017/2018

Notes to financial statements for the year ended 30 June 2018

Note 10: Unacquitted Grant Funds (current)	2018 ($)	2017 ($)
Operating Grants		
Centre of excellence grant	500,000	500,000
Sub-Total Operating Grants Unacquitted	**500,000**	**500,000**
Project Grants		
DET VET Services 2427	551,735	409,725
Less expended	(551,735)	(361,862)
	-	**47,863**
SQW - CQ2528 - Rail	48,900	-
Less expended	(34,766)	-
	14,134	**-**
SQW - CQ2526 - Rail	37,170	-
Less expended	(31,316)	-
	5,854	**-**
SQW - CQ2915 - Rail	43,750	-
Less expended	-	-
	43,750	**-**
SQW - MT2350 - Rail	138,100	96,670
Less expended	(138,100)	(4,629)
	-	**92,041**
SQW - CQ2917 - Rail	48,200	-
Less expended	-	-
	48,200	**-**
SQW - MT1716 - Telco	40,462	42,000
Less expended	(40,462)	(5,324)
	-	**36,676**
SQW - FN2267 - Telco	35,070	35,070
Less expended	(35,070)	(964)
	-	**34,106**

Audited financial statements 2017/2018

Notes to financial statements for the year ended 30 June 2018

Note 10: Unacquitted Grant Funds (current) cont'd	2018 ($)	2017 ($)
Project Grants		
SQW - SE1674 - Telco	84,000	84,000
Less expended	(84,000)	(47,147)
	-	**36,853**
SQW - SE2263 - Telco	58,800	58,800
Less expended	(58,800)	-
	-	**58,800**
SQW - NQ2525	45,000	-
Less expended	(25,428)	-
	19,572	**-**
SQW - CQ1642 - Telco	84,000	84,000
Less expended	(84,000)	(61,797)
	-	**22,203**
SQW - CQ2215 - Rail	141,307	100,170
Less expended	(141,307)	(4,339)
	-	**95,831**
VTEC	171,000	171,000
Less expended	(171,000)	(99,499)
	-	**71.501**
Total Project Grants Unacquitted	**131,510**	**495,874**
Total Unacquitted Grant Funds	**631,510**	**995,874**

Note 11: Provision (Non-Current)	2018 ($)	2017 ($)
Long service leave	21,684	9,122
Total	**21,684**	**9,122**

Note 12: Unacquitted grant fund (Non-Current)	2018 ($)	2017 ($)
Centre of Excellence grant	3,397,000	3,397,000
Less expended	(3,754,600)	(3,254,600)
Carried forward as at 30 June 2018	**212,400**	**712,400**

Audited financial statements 2017/2018

Notes to financial statements for the year ended 30 June 2018

Note 13: Accumulative Funds	2018 ($)	2017 ($)
Brought forward as at 1 July 2017	2,458,205	2,572,347
Surplus/(Deficit) for the year	296,962	(114,142)
Carried forward as at 30 June 2018	**2,755,167**	**2,458,205**

Note 14: Leasing Commitments	2018 ($)	2017 ($)
Operating Lease Commitments		
- not later than 12 months	3,090	3,090
- between 12 months and five years	2,318	5,408
Minimum lease payments	**5,408**	**8,498**

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 those operations, or the state of affairs of the Association in future financial years.

Statements by members of the management commitee

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 2018, 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: 23 November 2018

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 2018, 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 2018 and its 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

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 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: 23 November 2018

energyskills
queensland

70 Sylvan Road, Toowong PO Box 607 Toowong Queensland 4066
P 07 3721 8800 **F** 07 3870 9291 **E** esqreception@energyskillsqld.com.au
www.energyskillsqld.com.au