



# Annual Report 2019/2020

# About Energy Skills Queensland

Energy Skills Queensland is the leading, independent, not-for-profit organisation providing innovative solutions to enable a skilled and safe energy industry. Supporting the electricity, oil and gas, mining, renewable and telecommunications sectors, Energy Skills Queensland engages, researches and develops products and services that align to the current and future needs of our stakeholders.

Energy Skills Queensland support industry, government, training organisations and other stakeholder groups through:

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





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# A Message from the Energy Skills Queensland Chair

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The 2019/20 Year has been a challenging one for the entire Energy Sector, and no less so for Energy Skills Queensland. As we embarked on the year, no one could have foreseen the circumstances ahead, and surely not the uncertainty that COVID would bring. What a contrast 2019 was to the commencement of 2020, and in such uncertain times, people look to organisations that they can rely upon. I continue to believe Energy Skills Queensland is one such organisation.

Energy Skills Queensland has built a solid reputation across the Energy Sector for more than a decade. As the Centre for Energy Excellence in Workforce Planning and Skilling, Energy Skills Queensland has maintained its role as an important adviser to Government, and as an industry collaborator. In this reporting period, this responsibility has not waned. In fact, the advent of COVID has elevated this expectation, particularly across the various levels of Government.

The Year also saw Energy Skills Queensland do more in its role in calling out the journey ahead. Key elements of Energy Skills Queensland's impending strategy have been brought forward in 2019/20. Its role in identifying trends and leveraging opportunities is evident across several areas. In past times, bringing Energy networks together has been a key strength of Energy Skills Queensland. Late in 2019 I witnessed the revival of this firsthand, as a presenter at Energy Skills Queensland's Future Forum Series: Smart Hydrogen - Changing the Game. This was a very professional event, bringing a number of key stakeholders together, and highlighting the importance of skills to the Queensland as well as Australian economy.



Moreover, it underscored the need to consider the issue of skills well in advance of need; timeliness is everything. The advent of COVID slowed this down the team in the resurgence of such forums, however the team remained and remains committed, and so I was pleased to see them regroup under an emerging online strategy. Our efforts in Mental Health were equally affected, however our commitment to the importance of this issue remains and so we should see some excellent progress in this area as the navigation of COVID becomes clearer.



COVID has meant new directions, and in this aspect the team at Energy Skills Queensland continue to impress. I am grateful for the efforts of CEO, David Cross, and especially in tackling the change in strategy that the Board endorsed. COVID to Energy Skills Queensland meant not sitting still, but rather bringing forward and charting new territories including the 'Internet of Things', Hydrogen, and the re-organisation of SkillPASS. These were all invoked in 2019/20 as Energy Skills Queensland continued its efforts in supporting the workforce plans and skills of Queensland.

But it was not all smooth sailing, with the partnership between Energy Skills Queensland and Construction Skills Queensland unfortunately not continuing its growth trajectory, despite approximately one-in-five workers on construction sites being qualified electricians. Nevertheless, throughout 2019/20 Energy Skills Queensland continued to keep the Department of Employment, Small Business and Training informed, among other key stakeholder groups. As an impartial, not-for-profit body, maintaining the confidence of Government and strategically assisting them in making the key workforce decisions important to the Sector is core to our being. This will not be forgotten.

Also, the winds of change in the Vocational Education and Training (VET) Sector continue to blow, and Energy Skills Queensland's contribution to a vibrant training sector remains high. The daily, weekly, monthly commitment of staff to the challenging task of providing input into the national training framework through an involvement on the Electrical Supply Industry's (ESI's) Industry Reference Committee (IRC). Again, the Board maintains the importance of this obligation to the Sector. In fact as Australia continues to lead the world with the integration of renewable energy there has never been a more important time to ensure we have clear strategies to build the skills of our existing and future workers to enable a technology driven sustainable future.

Finally, as a business, Energy Skills Queensland has turned the corner in our underlying financial position. The group posted a small \$80,162 surplus to exceed the Board's budget expectations which were to breakeven at best. A sustainable Energy Skills Queensland remains a central focus for the governing Board, and our Balance Sheet demonstrates a solid equity position for the entity.

As a business, Energy Skills Queensland has turned the corner in our underlying financial position. The group posted a small \$80,162 surplus to exceed the Board's budget expectations which were to breakeven at best. A sustainable Energy Skills Queensland remains a central focus for the governing Board, and our Balance Sheet demonstrates a solid equity position for the entity. A positive financial position is especially important in these changing and uncertain times.

Finally, I take this opportunity on behalf of Energy Skills Queensland Board and staff to recognise the contributions of Jacqueline King During her time with us. Jacqueline made significant contributions over the years and we wish her in her future endeavours.

**Peter Price**

Chairman

Energy Skills Queensland

# A Message from the Energy Skills Queensland CEO

As for most organisations, the 2019/20 Year brought with it a set of unique, once in a lifetime challenges; and in doing so presented Energy Skills Queensland with a year of essentially two halves. The first half centred around the more conventional ‘business as usual’ approach, with the team working hard on growing and delivering its Skilling Queensland for Work Program, upgrading its Generic Induction product, attracting micro-credential funding opportunities such as a First Responders Electric Vehicle Safety Program, creating new opportunities in the Emerald Blockchain Energy Trial, and developing a strong face-to-face events calendar aimed at reinforcing Energy Skills Queensland’s collaborative, communicative and cooperative approach to industry.



Pleasingly, and before the impact of COVID-19, Energy Skills Queensland was able to get a significant face-to-face event away (late 2019), namely the **Smart Hydrogen Conference - Changing the Game**. This was well received by all in attendance, including pertinent closing remarks offered by The Hon. Cameron Dick, the then Minister for State Development, Manufacturing Infrastructure and Planning, and now Queensland Government’s Treasurer and Minister for Infrastructure and Planning. Of course, all of that changed early in the New Year, and from March 2020, the organisation was confronted with a much bigger challenge, namely COVID-19.

Although, the pandemic put paid to much of the planned ‘business as usual’ platform, Energy Skills Queensland stepped up to provide an extraordinary amount of detailed work and advice to the Department of Employment, Small Business and Training (DESBT), coordinating industry feedback and helping all grapple with defining the ‘new norm’. Concurrently, the organisation wrestled with its own version of this, quickly settling into the challenge of working from home and collaborating through virtual meetings. In short, the year closed very differently to the one that had been foreseen at its commencement, and the efforts of the Energy Skills Queensland staff are to be commended.

The Skilling Queenslanders for Work Programs for which Energy Skills Queensland is renowned, was certainly buffeted by the onset of COVID-19. This was telling, as the importance of our face-to-face role for these long term unemployed and disadvantaged groups is obvious. Even our Business Traineeship in supporting our emerging 'Mates in Energy & Mining' Mental Health Program was impacted, and so delays and deferments were necessary.

Specific to the Business Traineeship, most agencies with good intentions of supporting the program were suddenly unable to fully utilise or implement their plan for the six Business Trainees, at least not in the manner intended. However, Energy Skills Queensland's commitment to this group never waned, placing significant resource pressure back on the organisation to manage most of that team in-house. Again the staff turned adversity into opportunity, and whilst our pillar event of a face-to-face Mental Health Luncheon was postponed indefinitely, the team pivoted and embraced a new skill and direction as it moved to produce a series of inhouse webinars. The confidence gained through these endeavours will become more obvious in 2020/21.

COVID-19 also brought forward work intended for 2020/21, specifically, the introduction of a number of topical brands that seek to cement Energy Skills Queensland's future.



The first, **IoT Skills Australia**, was already in play and the organisation worked hard over the year to bolster its standing. This began with the 'IoT Hub Event Day' held in July, attracting 48 nationally selected stakeholders including Ms Leanne Kemp, Queensland's Chief Entrepreneur. Since that time, IoT Skills Australia has moved from strength to strength including with the appointment of Mr Stephen Elston as its Inaugural Chair, and positioning itself on the Education Committee, and more recently, the Executive Committee, of national IoT leader, IoT Alliance Australia. The partnership with IoT Alliance Australia is an important one.

IoT Skills Australia, now presents Energy Skills Queensland with a strong leadership opportunity in the skills this industry will require, both at a local as well as a national level. The move reflects the impending Industry 4.0 wave of connectivity and artificial intelligence that is forecast, allowing Energy Skills Queensland to position itself to be an advocate for change and be an effective force in balancing the fourth 'industrial revolution' with the other challenges foreseen for this decade.

Recognising that Energy Skills Queensland needed to adapt and prepare for a post-COVID-19 world, the Board agreed to leverage the success of the Smart Hydrogen Event and brought forward the **Hydrogen Skills Australia (H2SA)** opportunity. Complementing our Industry Skills Advisory role in mainstream Gas (and Oil) for DESBT, Energy Skills Queensland's move with H2SA has provided a foundation for the organisation to be part of the national Hydrogen agenda, and as many talk about the technology - be it production, storage or transportation vectors - H2SA will offer Energy Skills Queensland an ability to help shape the future of this workforce in line with its mandate. The national branding recognises that this workforce will be transient as they so often are in Gas, however the role Energy Skills Queensland plays at a State level will not be forgotten and will be informed by these national conversations.

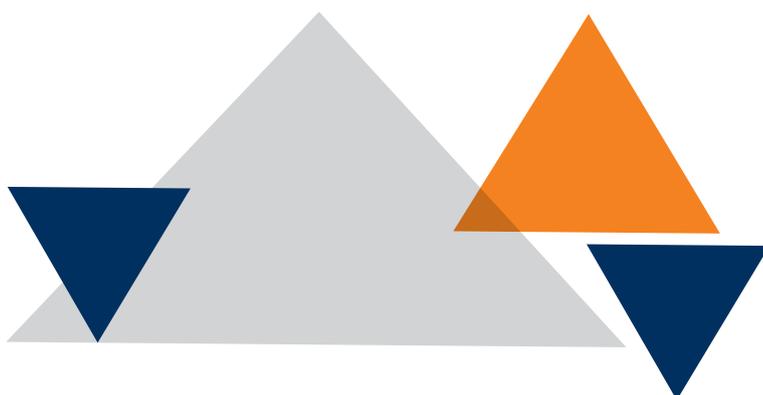
Lastly, and in a bid to formalise and mainstream Energy Skills Queensland's long-held activity of placing individuals into employment through its Skilling Queenslanders for Work efforts, the Board approved the launch of **Energy Placement Services (EPS)**. EPS should not be viewed as a mainstream recruiting activity, but rather as a complement and formalisation of what the organisation undertakes now in providing Skilling Queenslanders for Work mentoring and placement services. EPS will allow Energy Skills Queensland to extend its client base to mainstream groups, filling skill gaps by helping individuals navigate the relative complexity of the training sector and their ongoing need to develop their professional and personal competencies. At Energy Skills Queensland we believe this move provides for the complete continuum of service offerings to the Queensland workforce, and beyond.

Whilst these new branding developments have been getting underway, the organisation has also been busy strengthening its **SkillPASS** product offering, reviewing its Constitution and bringing Energy Skills Queensland in line with most other not-for-profit entities; as a Company Limited By Guarantee. The SkillPASS move in particular - now a joint venture between Energy Skills Queensland and its technology partner, Damstra - will place our verification efforts under an internationally recognised standards regime, mitigating risk, and lifting the performance platform for our service users. It also places SkillPASS in a position to afford the best available software on offer; one that operates globally and is currently accessible to over 500,000 customers. Both moves, are part of Energy Skills Queensland's stated objective of working to offer the Energy Sector best-in-class performance outcomes. The journey continues.

My sincere thanks to Energy Skills Queensland Members, to the Energy Skills Queensland Board including Chair Mr Peter Price, and to the commitment of my hardworking team of dedicated staff, all of whom have risen to the challenge of 2019/20 and played a role in shaping the future of the organisation for the 'new norm'.

**David Cross**

Chief Executive Officer  
Energy Skills Queensland



# A Centre for Energy Excellence

**Energy Skills Queensland is a Centre for Energy Excellence. As a leading, independent, not-for-profit organisation, its goal is to provide innovative, cost effective solutions to help enable a skilled, sustainable and safe energy industry.**

Supporting the electrotechnology, oil & gas, mining, and telecommunications sectors, Energy Skills Queensland 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.

Energy Skills Queensland 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.

Energy Skills Queensland embraces the following behaviours:

- Positive Intent
  - Positive Team
  - Positive **SPiRiT**
- 
- ✓ Safe
  - ✓ Professional
  - ✓ Integrity
  - ✓ Respect
  - ✓ Innovative
  - ✓ Trustworthy



# Corporate Governance

## Organisational Structure



## Energy Skills Queensland Board

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

## 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
- Belinda Watton
- Dominic Schipano
- Scott Reichman
- Jacqueline King



# Summary of Financial Statements

## Profit and Loss Summary

### Result

Energy Skills Queensland's operating performance for the 2019/20 financial year has resulted in a \$80 thousand surplus. This positive result means there has now been three consecutive years of surpluses. As a not-for-profit organisation maximising a surplus is not a core objective, but a balanced approach is required to ensure financial sustainability.

### Revenue Mix

The total income of \$2.2 million in 2019/20 was comprised primarily of traditional income streams of skills intelligence, training management and product licencing. Total income was down \$237 thousand compared to 2018/19. The reason for the reduction in revenue is attributed to the completion of the centre of excellence establishment grant which meant revenue reduced from \$500 thousand in 2018/19 to \$212 thousand in 2019/20. Revenue was sourced from two main areas in 2019/20 with government sourced revenue accounting for 52% and industry generated revenue from commercial products accounting for 34%.

### Expenses

Total expenses for 2019/20 amounted to \$2.2 million which is \$35 thousand less than 2018/19. As a service-related organisation staffing costs is always the sole major expense with the entity having 13 full time equivalent staff. Staffing costs accounted for 65% of total expenses in 2018/19 as opposed to 60% of total expenses in 2018/19.

### Impacts of COVID

Government and Industry restrictions initially presented challenges that caused immediate reduction across most of the organisations revenue streams. Fortunately, after an initial disruption, revenue streams increased and started to track at 30% less than the previous year. The end of financial year result is encouraging considering how others in the industry have been affected. The revenue areas used to mitigate adverse effects of COVID included getting SQW training programs delivering again, access to government stimulus packages and consistent demand for SkillPASS product. The reduction in revenue has enabled ESQ to access the government stimulus package which included Jobkeeper payments and Cash-flow boost payments. These payments have allowed ESQ to maintain all its staff without reducing hours.

## Balance Sheet Summary

### Financial position

Energy Skills Queensland is a financially sound not-for-profit organisation with the balance sheet in a healthy position due to prior year surpluses. Equity has grown to \$3.1 million with assets totalling \$4 million and liabilities totalling \$900 thousand. Total Assets are comprised of a commercial property located at 70 Sylvan Road valued at \$1.9 million, intangible training assets valued at \$136 thousand and cash equivalents balance of \$1.8 million. Assets have been utilised in 2019/20 to produce revenue which includes subletting of the commercial premises and licencing of commercial products. Liabilities for 2019/20 total \$900 thousand and are mainly attributed to unacquitted government grants for projects that have commenced, but as at 30 June, were still at various stages of delivery.

### Future Focus

Moving forward into 2020/21, some key areas for corporate services include:

- Tracking metrics and KPIs through an ERP;
- Increasing focus on information security;
- Build on existing wellness services offered to staff;
- Review and improve current compliance practises;
- New reporting and disclosure requirements;
- Commencement of SkillPASS joint venture.

Energy Skills Queensland is aware that there are some big challenges ahead both short term and long term. ESQ is confident that, as we have done historically, we can navigate these challenges and the board have approved a break-even budget for the next reporting period.

Energy Skills Queensland has a solid financial base through good governance by the management committee and staff. This secure financial base ensures Energy Skills Queensland can be agile in post COVID environment and continue to lead workforce planning, workforce development and workforce management initiatives.

Andrew Jacovides  
Director - Finance and Corporate Services  
Energy Skills Queensland

# Audited financial statements 2019/2020

## Income statement for the year ended 30 June 2020

	Note	2020 (\$)	2019 (\$)
<b>Income</b>			
Licensed products		62,610	51,220
Grant (local) operating		212,400	500,000
Interest received		21,515	21,972
Project management and consultancy fees		1,650,459	1,774,880
Sundry		282,064	118,556
<b>Total Income</b>		<b>2,229,048</b>	<b>2,466,628</b>
<b>Expenditure</b>			
Audit and accounting fees		12,061	13,760
Computer expenses		54,317	49,050
Conference expenses		6,847	10,478
Depreciation expense		97,898	92,924
Event expenses		14,333	27,330
Insurance expenses		6,302	8,582
Marketing and research		8,020	29,572
Office expenses		3,974	7,010
Postage		5,038	6,563
Printing and stationery		22,905	24,106
Project and consultancy expenses		294,741	376,865
Rent		5,350	5,820
Salaries		1,240,956	1,195,528
Salary related oncosts		164,463	126,130
Staff recruitment		1,355	943
Staff related expenses		7,152	7,964
Telephone expenses		13,050	13,309
Travel expenses		51,409	67,315
Other expenses	2	138,715	120,861
<b>Total expenses</b>		<b>2,148,886</b>	<b>2,184,110</b>
<b>Current year surplus / (deficit)</b>		<b>80,162</b>	<b>282,518</b>
<b>Accumulated surplus at the beginning of the financial year</b>		3,037,685	2,755,167
<b>Accumulated surplus at the end of the financial year</b>		<b>3,117,847</b>	<b>3,037,685</b>

# Audited financial statements 2019/2020

## Assets and Liabilities as at June 2020

	Note	2020 (\$)	2019 (\$)
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	3	1,778,946	1,743,909
Accounts receivable and other debtors	4	169,186	166,994
Other assets		4,074	3,893
<b>Total Current Assets</b>		<b>1,952,206</b>	<b>1,914,797</b>
<b>Non-Current Assets</b>			
Intangible assets	5	136,357	100,251
Land, building and improvements	6	1,899,938	1,953,810
Plant and equipment	6	57,975	52,041
<b>Total Non-Current Assets</b>		<b>2,094,270</b>	<b>2,106,102</b>
<b>Total Assets</b>		<b>4,046,476</b>	<b>4,020,899</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	7	492,438	610,560
Deferred revenue	8	-	5,000
Provisions	9	85,131	42,292
Unacquitted grant funds	10	329,823	309,951
<b>Total Current Liabilities</b>		<b>907,392</b>	<b>967,803</b>
<b>Non Current Liabilities</b>			
Provisions	11	21,237	15,411
Unacquitted grant funds	12	-	-
<b>Total Non Current Liabilities</b>		<b>21,237</b>	<b>15,411</b>
<b>Total Liabilities</b>		<b>928,629</b>	<b>983,214</b>
<b>Net Assets</b>		<b>3,117,847</b>	<b>3,037,685</b>
<b>Equity</b>			
Accumulative funds brought forward		3,037,685	2,755,167
Current year surplus		80,162	282,518
<b>Total Equity</b>	<b>14</b>	<b>3,117,847</b>	<b>3,037,685</b>



# Audited financial statements 2019/2020

## Notes to financial statements for the year ended 30 June 2020

### **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 1981 (QLD)*. 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 1997*. 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 <sup>2</sup>/<sub>3</sub> years calculated under the diminishing value basis
- Plant and equipment – 3-10 years calculated under the diminishing value basis
- Software – 2 <sup>1</sup>/<sub>2</sub> 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 2019/2020

## Notes to financial statements for the year ended 30 June 2020

### 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 2019/2020

## Notes to financial statements for the year ended 30 June 2020

<b>Note 2: Other Expenses</b>	<b>2020 (\$)</b>	<b>2019 (\$)</b>
Bad debts	(1,667)	(872)
Bank charges	11,173	9,268
Body corporate fees	15,937	25,647
Cleaning/rubbish removal	13,440	11,713
Electricity expenses	13,472	16,594
Entertainment expenses	1,580	4,647
Fringe benefit tax	6,047	(223)
Hire – general	289	5,878
Legal	41,407	13,424
Meeting expenses	92	174
Motor vehicle expenses	5,056	3,255
Other expenses	10,879	13,698
Subscriptions and memberships	20,737	16,853
Uniforms	273	805
<b>Total</b>	<b>138,715</b>	<b>120,861</b>

<b>Note 3: Cash and Cash Equivalents</b>	<b>2020 (\$)</b>	<b>2019 (\$)</b>
Business online saver	1,366,467	600,085
Cash management account	54,276	108,183
ING Term Deposit	-	645,816
PayPal	404	1,318
Resources Training Fund (457 Visa)	357,799	388,507
<b>Total</b>	<b>1,778,946</b>	<b>1,743,909</b>

<b>Note 4: Accounts Receivable and Other Debtors</b>	<b>2020 (\$)</b>	<b>2019 (\$)</b>
Trade debtors	78,386	36,350
Interest and Other amounts receivable	39,306	1,420
Other debtors	-	5,791
JobKeeper Subsidy	39,000	-
ATO Cash Flow Boost	12,500	-
Provision for Doubtful Debts	(6)	(1,817)
CSQ Funding	-	125,250
<b>Total</b>	<b>169,186</b>	<b>166,994</b>

# Audited financial statements 2019/2020

## Notes to financial statements for the year ended 30 June 2020

<b>Note 5: Intangible Assets</b>	<b>2020 (\$)</b>	<b>2019 (\$)</b>
Generic Induction	25,934	435,400
Less amortised	(432)	(435,400)
SkillPASS	223,371	223,371
Less amortised	(145,457)	(123,120)
SLAW	36,601	-
Less amortised	(3,660)	-
<b>Total</b>	<b>136,357</b>	<b>100,251</b>

<b>Note 6: Property, Plant and Equipment</b>	<b>2020 (\$)</b>	<b>2019 (\$)</b>
Land and building – at cost	1,943,837	1,943,837
Building improvements – at cost	382,952	382,952
Less accumulative depreciation	(426,851)	(372,979)
Plant and equipment – at cost	210,370	203,825
Less accumulated depreciation	(159,038)	(153,607)
Software – at cost	261,534	254,684
Less accumulated depreciation	(254,892)	(252,862)
<b>Total</b>	<b>1,957,912</b>	<b>2,005,851</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.

#### **Land and Building**

Balance at beginning of the year	1,953,811	2,001,248
Additions	-	6,276
Depreciation expense	(53,873)	(53,712)
<b>Sub-total</b>	<b>1,899,938</b>	<b>1,953,810</b>

#### **Property, Plant and Equipment**

Balance at beginning of the year	50,218	49,773
Additions	6,545	15,450
Depreciation expense	(5,431)	(15,005)
<b>Sub-total</b>	<b>51,331</b>	<b>50,218</b>

# Audited financial statements 2019/2020

## Notes to financial statements for the year ended 30 June 2020

<b>Note 6: Continued: Property, Plant and Equipment</b>	<b>2020 (\$)</b>	<b>2019 (\$)</b>
<b>Software</b>		
Balance at beginning of the year	1,822	4,340
Additions	6,850	0
Depreciation expense	(2,028)	(2,518)
<b>Sub-total</b>	<b>6,643</b>	<b>1,822</b>
<b>Total</b>	<b>1,957,912</b>	<b>2,005,851</b>

<b>Note 7: Trade and other Payables</b>	<b>2020 (\$)</b>	<b>2019 (\$)</b>
457 Visa Training Fund	357,799	385,763
Accrued expenses and other creditors	77,016	101,668
Goods and services tax payable	6,284	12,336
PAYG	31,394	33,299
Payroll Tax Payable	(2,996)	-
Trade creditors	22,941	77,494
<b>Total</b>	<b>492,438</b>	<b>610,560</b>

<b>Note 8: Deferred revenue</b>	<b>2020 (\$)</b>	<b>2019 (\$)</b>
ESQ Events	-	5,000
<b>Total</b>	<b>-</b>	<b>5,000</b>

<b>Note 9: Provisions</b>	<b>2020 (\$)</b>	<b>2019 (\$)</b>
Annual leave	76,559	41,606
FBT	8,572	686
<b>Total</b>	<b>85,131</b>	<b>42,292</b>

# Audited financial statements 2019/2020

## Notes to financial statements for the year ended 30 June 2020

<b>Note 10: Unacquitted Grant Funds</b>	<b>2020 (\$)</b>	<b>2019 (\$)</b>
<b>Operating Grants</b>		
Centre of excellence grant	-	212,400
Total Operating Grants Unacquitted	-	<b>212,400</b>
<b>Project Grants</b>		
DET VET Services	869,118	694,415
Less expended	(869,118)	(658,745)
	-	<b>35,670</b>
RET - 183	50,219	-
Less expended	(29,336)	-
	<b>20,883</b>	-
RET - 185	50,462	-
Less expended	(30,025)	-
	<b>20,437</b>	-
SQW - CQ2917- Rail	48,200	48,200
Less expended	(48,200)	(46,813)
	-	<b>1,387</b>
SQW - CQ3433 - Rail	76,400	76,400
Less expended	(76,400)	(66,549)
	-	<b>9,851</b>
SQW - CQ3831 - Rail	(49,800)	49,800
Less expended	(49,800)	(23,781)
	-	<b>26,781</b>
SQW - CQ3832 - Rail	76,500	53,550
Less expended	(76,500)	(33,037)
	-	<b>20,513</b>

# Audited financial statements 2019/2020

## Notes to financial statements for the year ended 30 June 2020

<b>Note 10: Unacquitted Grant Funds (current) cont'd</b>	<b>2020 (\$)</b>	<b>2019 (\$)</b>
<b>Projects Grants</b>		
SQW - CQ4671	42,000	-
Less expended	(40,614)	-
	<b>1,386</b>	<b>-</b>
SQW - MT3431	82,200	82,200
Less expended	(82,200)	(79,160)
	<b>-</b>	<b>3,040</b>
SQW - MT3833	70,620	51,380
Less expended	(70,620)	(37,822)
	<b>-</b>	<b>13,558</b>
SQW - MT4181	53,200	-
Less expended	(73,694)	-
	<b>(20,494)</b>	<b>-</b>
SQW - MT4189	53,620	-
Less expended	(70,498)	-
	<b>(16,878)</b>	<b>-</b>
SQW - MT4692	106,440	-
Less expended	(22,054)	-
	<b>84,386</b>	<b>-</b>
SQW - NC3430	91,000	91,000
Less expended	(91,000)	(81,404)
	<b>-</b>	<b>9,596</b>
SQW - NC3435	71,715	51,380
Less expended	(71,715)	(71,715)
	<b>-</b>	<b>(20,335)</b>

# Audited financial statements 2019/2020

## Notes to financial statements for the year ended 30 June 2020

<b>Note 10: Unacquitted Grant Funds (current) cont'd</b>	<b>2020 (\$)</b>	<b>2019 (\$)</b>
<b>Projects Grants</b>		
SQW - NC4185	53,550	-
Less expended	(58,242)	-
	<b>(4,692)</b>	-
SQW - NC4675	40,350	-
Less expended	-	-
	<b>40,350</b>	-
SQW - NC4677	40,700	-
Less expended	(33,336)	-
	<b>7,364</b>	-
SQW - NC4696	218,760	-
Less expended	-	-
	<b>218,760</b>	-
SQW - NC2525	45,000	45,000
Less expended	(45,000)	(44,687)
	-	<b>313</b>
SQW- NQ3432	81,140	57,540
Less expended	(81,140)	(63,174)
	-	<b>(5,634)</b>
SQW - NQ3434	73,400	73,400
Less expended	(73,400)	(70,589)
	-	<b>2,811</b>
SQW - NQ4211	55,440	-
Less expended	(77,119)	-
	<b>(21,679)</b>	-

# Audited financial statements 2019/2020

## Notes to financial statements for the year ended 30 June 2020

<b>Note 10: Unacquitted Grant Funds (current) continued</b>	<b>2020 (\$)</b>	<b>2019 (\$)</b>
<b>Projects Grants</b>		
<b>Total Project Grants Unacquitted</b>	<b>329,823</b>	<b>309,951</b>
<b>Total Unacquitted Grant Funds</b>	<b>329,823</b>	<b>309,951</b>

<b>Note 11: Provisions (Non-Current)</b>	<b>2020 (\$)</b>	<b>2019 (\$)</b>
Long service leave	21,237	15,411
<b>Total</b>	<b>21,237</b>	<b>15,411</b>

<b>Note 12: Unacquitted Grant Funds (Non-Current)</b>	<b>2020 (\$)</b>	<b>2019 (\$)</b>
Centre of excellence grant	4,467,000	4,437,000
Less expended	(4,467,000)	(4,467,000)
<b>Total</b>	<b>-</b>	<b>-</b>

<b>Note 13: Provisions (Non-Current)</b>	<b>2020 (\$)</b>	<b>2019 (\$)</b>
<b>Operating Lease Commitments</b>		
- not later than 12 months	-	2,318
<b>Minimum lease payments</b>	<b>-</b>	<b>2,318</b>

<b>Note 14: Accumulative Funds</b>	<b>2020 (\$)</b>	<b>2019 (\$)</b>
Brought forward as at 1 July 2014	3,037,685	2,755,167
Surplus/(Deficit) for the year	80,162	282,518
<b>Carried forward as at 30 June 2014</b>	<b>3,117,847</b>	<b>3,037,685</b>

# Audited financial statements 2019/2020

## Notes to financial statements for the year ended 30 June 2020

### **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.

The following are events subsequent to the reporting date:

“On 11 March 2020, the World Health Organisation (“WHO”) declared a pandemic in respect of increasing cases of Coronavirus being recorded on a global basis. Since the WHO declaration, The Australian Commonwealth and State governments have been implementing various policy measures to respond to the pandemic, including quarantine measures and economic stimulus packages. Arrangements for quarantine and economic stimulus continue to evolve at the reporting date and can be expected to change during the course of the next year. At this time, Energy Skills Queensland is unable to determine the extent of the future impact of the pandemic.

In addition, Energy Skills Queensland will setup a joint venture SkillPASS Pty Ltd of which it will hold 50% of the shares. A portion of current project management and consulting fees together with the corresponding expenses will shift into the joint venture.

Lastly, Energy Skills Queensland will seek to vote at the AGM to change the current operating structure to a company Limited by Guarantee. No other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operation of the Association, the results of those operations, or the state of affairs of the Association in future financial years.

## Statements by members of the management committee

The Management Committee have determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Management Committee, this report:

- Presents a true and fair view of the financial position of Energy Skills Queensland Incorporated as at 30 June 2020, 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: 25 September 2020

# Independent Audit Report

## To the members of Energy Skills Queensland Inc.

### Opinion

We have audited the accompanying financial report of Energy Skills Queensland Inc.(the entity), which comprises the assets and liabilities statement as at 30 June 2020, the income and expenditure statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by the members of the management committee.

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Entity as at 30 June 2020, and its financial performance for the year then ended in accordance with the financial reporting requirements of the *Associations Incorporation Act 1981 (QLD)*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the entity in accordance with the ethical requirements of the Accounting Professional and ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the entity to meet the requirements of the *Associations Incorporation Act (QLD) 1981*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### Emphasis of Matter - Events Occurring after the Reporting Date

We draw attention to Note 15 (Events subsequent to reporting date) to the financial report, which describes the uncertainty that exists regarding the current COVID-19 pandemic and the impact on the entity. Our opinion is not modified in respect of this matter.

### Responsibilities of the Committee and Those Charged with Governance for the Financial Report

The Committee is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Associations Incorporated Act 1981 (QLD)* and for such internal control as the committee determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee is responsible for assessing the entity's ability 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 intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.



# Independent Audit Report

## To the members of Energy Skills Queensland Inc.

### 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.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

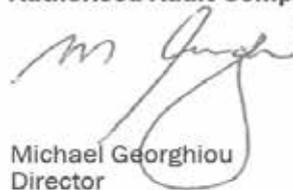
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Mazars Audit (QLD) Pty Limited**  
**Authorised Audit Company: 338599**

  
**Mazars Audit (QLD) Pty Limited**  
**Authorised Audit Company: 338599**

  
Michael Georghiou  
Director

Brisbane, 25 September 2020



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