



ANNUAL REPORT

2020 / 2021



Collaborate | Communicate | Connect



About Energy Skills Queensland

Energy Skills Queensland is a leader in workforce planning, skills development, and specialist skilling and training products for the Electrotechnology, Oil & Gas, Mining, and Telecommunications industries. As the designated Centre for Energy Excellence, Energy Skills Queensland acts as a conduit for Energy Sector collaboration and communication, connecting industry with governments and the vocational education and training sector. The organisation advises on industry skilling and training priorities, supports competency management efforts, is active in linking skills and training to energy employment/placements, and is committed to a strong, safe and sustainable industry future.

Energy Skills Queensland supports industry, government, training organisations and other stakeholder groups by being:

- ▶ The forecaster of workforce planning and skilling needs;
- ▶ The unbiased skills voice for industry;
- ▶ Agile, reliable and linking the skills continuum/journey;
- ▶ The Centre for Energy Excellence.



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A Message from the Energy Skills Queensland Chair

The Board welcomes the strategic progress made by Energy Skills Queensland through 2020/21 despite the impacts of the COVID-19 pandemic on the organisation, the Energy Sector and the Training Sector.

At the top of that list is the conclusion of the new Energy Skills Limited governance framework. 2020/21 heralded the formal adoption by Energy Skills Queensland Members of a new governing constitution at the Annual General Meeting held in November 2020. Energy Skills Limited, a company limited by guarantee, will operate from late 2021 following this milestone. The organisation has also sought to refresh its membership base with approaches to parties that it can engage and work closely with to advance the Energy and Telecommunications Sectors; helping prepare for a connected (IoT) future, and one that is resilient but agile enough to embrace opportunities for change.

Pleasingly, in recent years Energy Skills Queensland has consolidated its position as an independent training and skilling voice for industry. It has also chartered new areas including IoT/AI, Hydrogen, and complementary services such as Energy Placement Services and a fast-emerging training portal, to be known as the Australian Training Alliance: Energy Gateway. These efforts are in addition to its work in managing SkillPASS and provides the organisation with a suite of options and opportunities for the future. However, it must first place the consequences of the pandemic's impact behind it and consolidate its financial future.

The impact of COVID-19 was significant on all aspects of the Energy and Training Sectors, and Energy Skills Queensland was not immune from its downstream impacts.

After three years of solid surpluses (collectively just over \$650,000), the loss of \$150,000 in 2020/21 (representing about 7.5% of turnover) was a challenging result for staff, directors, and members. The year ahead must regain this ground, but the result needs to be kept in context; both in terms of the transition that is underway across the organisation and in terms of the specific challenges and uncertainty that COVID-19 delivered. The Board remains firmly behind the strategy being actioned by staff.

In the later part of the year, I saw the re-emergence of the organisation in some of its more traditional leadership roles and also in new areas of challenge. This included IoT, Hydrogen, and a greater role in imputing to the State's Energy future; highlighted by the incorporation of Energy Skills Queensland on the Ministerial Energy Council and its Hydrogen Development Sub-Committee. Engagement has been extended with an increasing number of State Government Departments, as well as in the Federal arena. Most critically, the engagement with Industry continues to grow, and the active return of Industry to our Industry Reference Groups (nee Industry Leaders Forums) is especially pleasing and will help shape the future Energy Sector skilling and training needs both nationally and at the State level.

As well, 2020/21 saw the formal commencement of the joint venture subsidiary, SkillPASS Pty Ltd. This sets up a platform for improved service outcomes and long-awaited growth. Building the value proposition inherent in the SkillPASS Card will be important to fulfilling this growth potential. I appreciate the commitment of our Damstra partners in striving with us and look forward to working with them to expand the Card's reach into the Training Sector.

The challenges ahead for Industry will be complex and fast moving. Whether it be in meeting the challenges of energy security as the nation accelerates its move away from the more traditional fossil fuel based energy sources and accelerates its shift to a renewables-based more localised energy future, or in the emergence of battery storage (static and in the form of electric vehicles), or in the arrival of hydrogen, or the rise of the prosumer; Energy Skills must continue to forecast skills requirements and help the Training Sector remain ahead of the curve. It must continue to invest in talented staff, and through them offer insights and advice, and create forums for the exchange of ideas, knowledge and dialogue on how to shape the future. As the Sector emerges from the uncertainty of lockdown and begins to re-engage and network once again, I am confident that Energy Skills Queensland has positioned itself well to assist.

In that context, I'd like to extend my sincere thanks to Energy Skills Queensland's Members, to members of the Board, and especially to staff. It has been a uniquely tough year; one that has challenged the organisation as well as the Industry on many fronts. Energy Skills Queensland has not been immune to these challenges, but it is a credit to the group that despite the buffeting, that we offer a strong and vibrant opportunity for the Training and Energy Sectors for the future.



Peter Price

**Chairman
Energy Skills Queensland**



Corporate Governance

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.

Management Structure

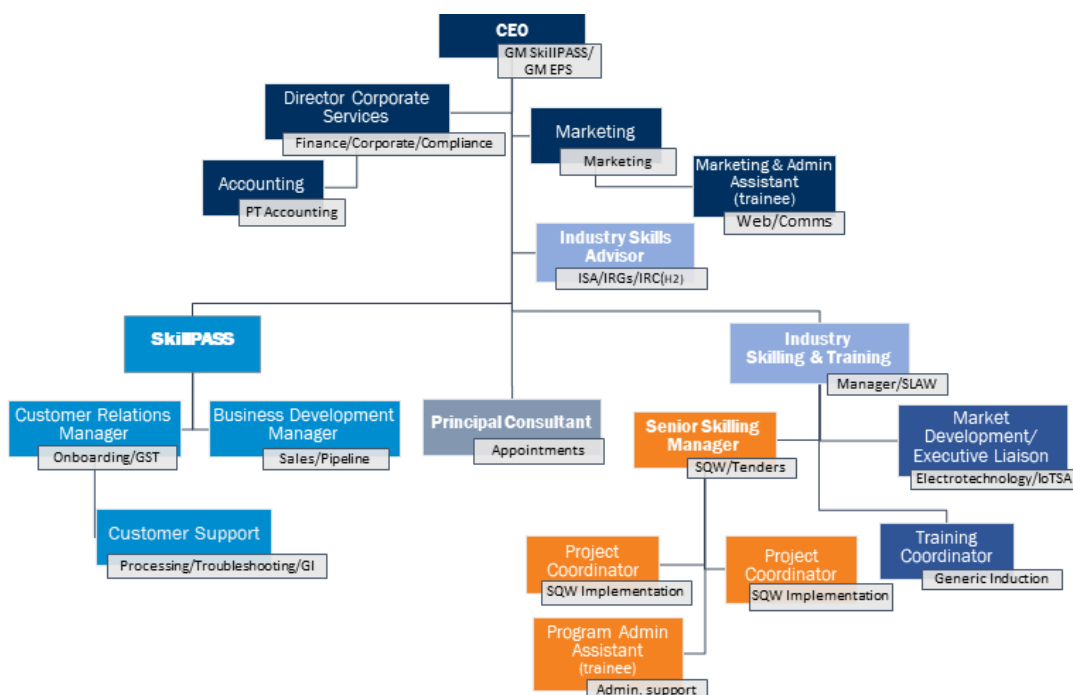
The Board has delegated certain aspects of its authority to the Chief Executive Officer through a control framework to operate the business on a day-to-day basis. The Chief Executive Officer implements the Board's strategies and policies through the Delegation of Authority Framework and Strategic Plan.

Management Committee

- Peter Price – Chairman
- Malcolm Richards – Deputy Chairman
- Edwin De Prinse – Treasurer
- Belinda Watton
- Dominic Schipano
- Scott Reichman



Staffing Structure



Energy Skills Limited (ESL) 2021 - 2024 Strategy Summary

PURPOSE: Collaborate - Communicate - Connect		VALUES: <ul style="list-style-type: none"> • Positive Intent • Positive Links • Positive SPIRIT • Positive Team • Positive Brands 	
KEY OBJECTIVE: CENTRE FOR ENERGY EXCELLENCE 4 Key Sectors: Primary Focus and general offerings to boost core value			
1. Electrotechnology / Industry 4.0 <ul style="list-style-type: none"> • Emerging prosumer • Drive new skills & training needs • Electric Vehicles/SLAW/Solar • Home Batteries • Liaison, Planning, IRG skills • Strong as deep knowledge, history, Industry links / IRG 	2. Telecommunications / Industry 4.0 <ul style="list-style-type: none"> • Convergence & platform for Industry 4.0 initiatives • Partner and lead convergence and AI/IoT initiatives • Cybersecurity • Liaison, Planning, IRG skills • Moderate as shared resourcing 	3. Gas / Hydrogen (H2) <ul style="list-style-type: none"> • Drive H2 skill & training needs • Connector & unbiased voice • Workforce planning research • H2 Fundamentals/Safe Handling • Liaison, Planning, IRG skills • Solid as have moved early and positioned on IRC but must resource further 	4. Mining <ul style="list-style-type: none"> • Leverage data to connect direct training opportunities • Strong regional Queensland platform, relevant first mover • Generic Induction/Mental Health • Ai/IoT initiative(s) implementation • Liaison, Planning, IRG skills • Strong as long history provided ESQ re-enters market through IRG
5. General Offerings <ul style="list-style-type: none"> • Federal Government, SQW and Other State Government Tenders • Events/Webinars/Conferences/Sponsorships 		<ul style="list-style-type: none"> • SkillPASS Pty Ltd • Australian Training Portal • Energy Placement Services 	
KEY GOALS: <ol style="list-style-type: none"> 1. Sustainable revenues - broaden customer/business base 2. Provide future-facing products and services 3. State first, and National 4. Maintain Not-for-Profit 		RESPONSIBILITIES <ol style="list-style-type: none"> 1. Strategy: Core strength (State) to create National future 2. People: Act as a talent generator 3. Performance: Sustainable profits of 2.5% of turnover 4. Risk: Sustainable revenues for future stakeholder growth 	
SUCCESS MEASURES: Milestones over period 2021-2024 that demonstrate success: <ol style="list-style-type: none"> 1. Revenues of \$3.0million 2. Surplus in all areas 3. Equity of \$3.0million 4. Cash at \$1.7million 5. No debt 		CAPABILITIES: <ul style="list-style-type: none"> • Build Energy skills capability offering real solutions • Connect industry networks • Stakeholder advice and communication • Influential leadership • Leverage Member relationships • Ensure clarity of purpose and a matching resource plan 	
2021 Goals: BIG 3 (Key Milestones) <ol style="list-style-type: none"> 1. Income growth through new training courses and licensing, and through leveraging databases, and applying for more tenders 2. In emerging trends, tender for/seek and conduct workforce planning & skilling research and provide industry & ISA leadership 3. Grow each division and especially SkillPASS, Energy Placement Services, and initiate the Australian Training Alliance Gateway 			

A Message from the Energy Skills Queensland CEO



Whilst COVID-19 manifested itself just prior to the commencement of the Financial Year, the impact was most significantly felt in 2020/21. The organisation can be proud of its efforts in coping with the challenges of repeated and unexpected lockdowns, of the uncertainty and impact on our Energy Sector client base, and of its support for members and staff under these circumstances. The organisation took the opportunity to examine its progress on building a more sustainable staffing model; one that helps it prepare for the 'new norm' and balancing the transition to a much more mixed workforce landscape of in-office and from-home activities. However the year is cast, it was certainly an unfamiliar one for the Energy Skills community as well as the broader Energy Industry, and it set up some unique and unexpected challenges.

COVID-19's impact was felt in areas such as SkillPASS' face-to-face training revenues, as well as a change in the mix of its Card revenues (less new cards and greater renewals). Most challenging was the impact in third-party decision making which at times completely disrupted revenues and workflows. Anticipated opportunities including Solar and faster adoption of Electric Vehicle training were somewhat derailed, as were certain Skilling Queenslanders for Work programs. However other opportunities were born, namely Cybersecurity. It was a complex year with everyone doing their best but with some unintended consequences, not least of which was the below forecast financial result. It is a result that the management team did not want to see,

nor do they want to see replicated. Central to this improvement is the strengthening of Energy Skills' training arm and the diversification of its tender base.

The development of the First Responders' Electric Vehicle Safety Program was achieved more slowly than hoped, but represented an exciting first step in a journey that Energy Skills believes must be taken to help prepare the Electrotechnology Sector, and Electricians in particular, for the inevitable challenge ahead – the integration of electric vehicles as a home energy source (mobile battery). Empowered by the rise of the prosumer and the inevitability of energy trading, this move has begun. In the interests of the electrotechnology workforce, Energy Skills is working hard to get ahead of this curve, and consider the skills needs of the electrical workforce going forward. Learnings from this will inform the Hydrogen agenda for both the transport sector and the inevitable use of hydrogen fuel cells in the home. In helping prepare for these trends, Energy Skills appreciates the efforts of its members of its three Industry Reference Groups – Electrotechnology, Telecommunications/ IoT, and Gas. These are important forums and Industry facing.

Energy Skills Queensland was also pleased to secure a three-year agreement as Industry Skills Advisor with the State Government. This replaces a rolling six-month advisory role and is a vote of confidence in the organisation and its contribution to Vocational Education & Training (VET) planning. The organisation's commitment to the national Energy scene

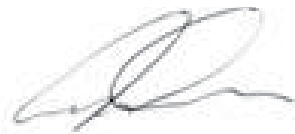
has also strengthened. After four years of involvement in the national Industry Reference Committee – Energy Supply Industry, Energy Skills Queensland handed the task of providing insights and dealing with Cases for Change to its sister organisation in New South Wales. In place, from 2020/21, Energy Skills Queensland took on the role of contributing to the national Industry Reference Committee – Gas, as well as being an active member of the temporarily created Hydrogen Technical Advisory Committee which was established to assist this Reference Committee in the identification of specific Hydrogen skill sets. This will be a two-year role, before Energy Skills Queensland moves to providing similar advice to the Industry Reference Committee – Power, and then finally returns to the Electrotechnology space some two years later. Between its own State-based Industry Reference Groups, and its role on the national Industry Reference Committees, Energy Skills Queensland can be quite proud of its contribution and influence nationally.

The progress in refreshing the Generic Induction product for the Mining Sector was slower than hoped, however some renewed relationships and a realisation of the importance of mining as 'first-movers' in automation, artificial intelligence and in electric vehicles has spawned from this. Energy Skills is also building an Australian Training Alliance: Energy Gateway portal which will offer the Training Sector (RTO) a one-stop-shop training portal for all things Energy.

To round out its Industry intelligence efforts, and the efforts of its Industry Reference Groups in underpinning advice to the State Government as an Industry Skills Advisor, Energy Skills Queensland's efforts in working closely with the Electrical Safety Office and the Electrical Safety Commissioner on the Review of the Electrical Safety Act 2012 as well as a Safety Leadership At Work (SLAW) product are two important outcomes that can be expected to impact the Energy Sector in 2021/22. These are lasting legacies.

Despite the challenges of COVID-19, Energy Skills Queensland can be proud of its commitment to skilling, mentoring and placing long-term unemployed or disadvantaged groups into meaningful employment outcomes. With unintended consequences emerging from the Federal Government's Job Seeker support payments, Energy Skills was able to turn the impact to its Skilling Queenslanders for Work programs into a positive, by initiating a mechanism to extend this work to more mainstream clientele. The foundations of the Energy Placement Services (EPS) mentoring initiative have been built, and so in 2021/22 this opportunity will begin to show its wares. It is not a recruitment service per se, but rather seeking to provide mentoring and wraparound support services in addition to helping individuals achieve employment in the Energy marketplace. EPS will focus upon and leverage the SkillPASS database of 37,000 persons, 2000 companies and over 360,000 competencies, especially in relation to the rapidly emerging Hydrogen Industry.

In closing, I wish to extend my thanks to the Energy Skills Team. The challenges individually and collectively in 2020/21 have been unique, problematic, ambiguous, and perplexing. The mental anguish from the pandemic itself combined at times with the requirements of isolation, was an enormous challenge for each and every individual. The experience and guidance of the Board has certainly shone through and was gratefully received by me and the management arm of the organisation. Energy Skills looks forward to the year ahead and helping define 'the new norm' by contributing ideas, energy and information pertinent to the Training and Energy Sectors. The year ahead will be exciting whilst also throwing up new challenges as the globe emerges from the COVID-19 pandemic.



David Cross

Chief Executive Officer
Energy Skills Queensland

Energy Skills Queensland - Sub Brands



The Energy Skills' Hydrogen Skills Australia (H2SA) journey commenced over two years ago with attendance to a 'forming and storming' conference that highlighted the infancy of the Hydrogen Industry but also the effort being made to advance the export opportunity and earnings potential that this energy source represented. Again, as with IoTSA, the emerging industry's focus on the technology and the capital equipment was palpable, with little thought given to the parallel journey concerning skill sets.

H2SA was subsequently approved as an important direction that Energy Skills needed to invest time, effort and leadership in; specifically, to assist the skills conversation and build on the December 2019 'Smart Hydrogen - Changing the Game' Future Forum that Energy Skills had held. With COVID-19 creating havoc with travel and the events industry more generally, Energy Skills held back from a follow up event in 2020, but it continued to emphasise the need in whatever forums that were available to it.

Subsequently, it was most pleasing to see the State Government's introduction in 2020/21 of a Ministerial Energy Council and its first subcommittee – the Hydrogen Development Sub-Committee – emphasising the importance of the "skills first" pathway. This has given confidence to the H2SA initiative and the necessity in the first instance to be part of the national narrative, especially whilst the Industry is emerging. Augurs well for an exciting future for the Green Hydrogen and possible Blue Hydrogen Industry Sectors, as Australia seeks to capitalise on its fast-emerging green energy blueprint and building program, as well as its favourable trading relationships with Asia, in particular Japan and South Korea.

H2SA is active in all forums – State and National – and is a seemingly welcome participant in the skills discussion as well as efforts to prepare a clear and agreed national direction for the Hydrogen supply and value chains. To that end, H2SA has been sought out to jointly tender for some national work in this area as well as for general advice in the assembly of an appropriate skills roadmap. The support of Energy Skills' Industry Reference Group in Gas encompassing some of the most prominent Gas Industry entities is a very positive development in 2020/21.

Energy Skills Queensland - Sub Brands



The commencement of 2020/21 finally saw the advent of a couple of years of dedicated effort to change up the SkillPASS commitment and offering to the market, as well as achieve a more agile and business focused entity in the form of a joint venture subsidiary, SkillPASS Pty Ltd. The joint venture initiative has galvanised Energy Skills and Damstra in an effort to share in the growth potential of the Training Sector and markets that are only lightly touched by Damstra but with which Energy Skills has a strong alignment.

The formal appointment of four members to the subsidiary Board, including members from Energy Skills and Damstra underpinned by license agreements, and a company constitution has established a foundation for a stronger software offering (the soon to be released Enterprise Protection Platform or EPP) to SkillPASS clients, for higher standards of verification (now operating under ISO9001 and ISO27001 standards with 360,000 documents re-verified by a Global Services Team within Damstra), and a reorientation of energies within Energy Skills to customer service and growth. Over 2020/21 the team can be proud of its efforts in having achieved a more appropriate platform for the future and having completed the smooth transition to a more robust system.

Unfortunately returns are slightly below expectations, largely a consequence of the revenue impacts of COVID-19, but a closer examination reveals that true returns are not significantly different for Energy Skills. The year ahead must be the year upon which the potential of this move to a joint venture subsidiary becomes more obvious to both organisations and to the SkillPASS' customer base. The inclusion of a dedicated business development role in May 2021 has underscored that effort. Alignment with the emerging Australian Training Alliance: Energy Gateway will also lend weight to unlocking the training market potential.

Thank you to the SkillPASS Board, the staff and to our partner, Damstra, for their commitment to this venture.

Energy Skills Queensland - Sub Brands



In March 2020, and with the onset of COVID-19, as a major disruptor to employment in the Energy Sector, the Board approved the introduction of Energy Placement Services (EPS). The intention was to recognise the jobs dislocation in the market and to present for the mainstream market, something that Energy Skills had excelled in over much of the past decade; namely, skilling, mentoring and placing long-term unemployed or disadvantaged groups into meaningful employment outcomes. It was and is viewed as a natural extension to our work and recognition at the time that the pandemic may mean the mainstreaming of long-term unemployed and disadvantaged individuals.

With the exception of an exciting and substantial memorandum of understanding signed with a large prospective employer in Regional Queensland, progress in EPS has remained focused on inhouse staff replacements and appointments with limited external traction to date. This was not helped by the poor health, unexpected and sad passing of a friend and colleague to all at Energy Skills in 2020/21. The foundations are built, and the direction carved out however it is in 2021/22 that the expected opportunity that this represents will begin to show its wares. In particular, Energy Skills' decade long efforts in SkillPASS which has resulted in a 37,000-person, 2000-company strong database housing 360,000 competencies – as well as its close association with a 700,000 strong database through its joint venture SkillPASS partner, Damstra – belies the slow progress in 2020/21 and highlights the opportunity ahead for EPS. An electrifying period ahead can be expected as we unlock this potential.

IoT skills
australia

An earlier initiative was in recognition – if not frustration – that the Energy Sector was not prepared for or even preparing its people for the inevitability of Industry 4.0. This fourth industrial revolution as Industry 4.0 is perceived will impact the Sector much more profoundly than anything since its predecessor, the introduction of the World Wide Web or Internet.

In the COVID-19 environment in which we found ourselves for much of the 2020/21 Year, Energy Skills' progress focused its efforts at the foundational level. Two initiatives were born under IoT Skills Australia (IoTSA), one in support of the massive exposure the Sector has confronted in cybersecurity; the other in response to the scaling in production and uptake of Electric Vehicles, a microcredential that Energy Skills was successful in obtaining State Government funds to develop.

The online Cybersecurity Skill Set Energy Skills has prepared recognises that 95% of all Cybersecurity breaches is founded in human error. In line with this, the Skill Set of four units commences with a General Awareness unit that takes participants through a two-hour personal security awareness self-paced learning module that helps identify common areas of exposure and user behaviours that can lead to an online security breach.

Energy Skills has taken this step because the Gas and Electrotechnology Sectors in particular, are underpinned by the activity and actions of small-medium-enterprises (SMEs) that contract direct to market such as electricians, but also to the larger, iconic entities that are publicly recognised but whose business model supports the contracting of many hundreds of SMEs in the Gas Sector. With an estimated cost to business now reaching up to \$30billion annually, SMEs have been blissfully unaware and substantially underprepared for this onslaught of cyber warfare that has accelerated under COVID-19 to unprecedented levels across all industries.

Click to attach
probe to vehicle



On a more positive note, the work of Energy Skills in preparing a First Responders' Electric Vehicle Safety Program represents the beginning of a journey that Energy Skills believes must be taken to help prepare the Electrotechnology Sector, and Electricians in particular, for the inevitable challenge of integrating these 'mobile batteries' (that is, electric vehicles) into home and business premises as in response to a customer-led struggle to reduce their cost of electricity, especially in peak times. Government policy of 50% renewable energy by 2030 embraces the use of localised energy sources such as solar and static home batteries, and the inclusion of 'mobile batteries' as a source of transport as well as energy when stationary overnight or for long periods during the day is inevitable.

Empowering the First Responders – Police, Fire & Emergency Services, Ambulance, the Towing Industry among others that are called to the scene of any incident involving vehicles, is a critical element in giving confidence to these groups in how to manage a scene when things have not gone to plan and inevitably maintain the confidence of the community in the product, assisting uptake in the low carbon environment that is increasingly called for in the community. Put simply, First Responders must know what to do in handling this new technology – both in its High Voltage nature and its significant challenges when on fire. Energy Skills looks forward to getting this tailored and mostly online initiative into the market, and then building upon it to empower Electricians in its safe installation and integration into the home in particular.

Lastly, little talked about and a couple of years in gestation, the Prosumer-led Energy Trading Trial that Energy Skills was responsible for infusing in Emerald, Queensland, was progressing through its capital build program and will become a reality in 2021/22. This Trial will likely represent the largest single community-based prosumer energy trading trial in the country and will provide lessons for the remainder of this decade. Energy Skills is grateful for the continuing support of its Chair, Mr Steve Elston, and should be proud of its work in this area, the fruits of which will become obvious to future generations. The link with Cybersecurity should not be overlooked in this as well, and Energy Skills will push for general uptake of its Cybersecurity Awareness program in the mainstream Queensland and Australian community for this reason.

Financial Report

Profit and Loss Summary

Result

Energy Skills Queensland's operating performance for the 2020/21 financial year has resulted in a \$150 thousand deficit. This is the first year of deficit following three years of surpluses. As a not-for-profit organisation maximising a surplus is not a core objective, but this result is an underperformance of the breakeven budget set. As with other industries COVID has impacted ESQ's operating environment and a reduction of the forecast revenues is an effect of this.

Revenue Mix

The total income of \$2.2 million in 2020/21 was comprised primarily of traditional income streams of skills intelligence, training management and product licencing. Total income was an improvement of \$18 thousand compared to 2019/20 but much less than the revenues we had forecasted. This shortfall was driven by poor performance across training management and product licencing. Revenue was sourced from two main areas in 2020/21 with government sourced revenue accounting for 74% and industry generated revenue from commercial products accounting for 32%. There has been a material shift in current year revenue sourcing compared with 2019/20 where government sourced revenue accounting for 52% and industry generated revenue from commercial products accounted for 34%.

Government and Industry restrictions due to COVID continued to present challenges across most of the organisation's revenue streams. The reduction in revenue enabled ESQ to access the government stimulus package which included Jobkeeper payments and Cash-flow boost payments. These payments amounted to \$353 thousand or 16% of total revenue which has allowed ESQ to maintain all its staff without reducing hours.

Expenses

Total expenses for 2020/21 amounted to \$2.4 million which is \$249 thousand more than 2019/20. Wages was the major expense accounting for 76% of total expenses compared to 65% of total expenses in 2019/20. As a service organisation staffing costs will always be a major expense with 16 full-time equivalent staff. Staff numbers have increase by three compared to the previous period. As revenue from programs reduced, an adjustment was made to stop or pause expenditure on programs.

Balance Sheet Summary

Financial position

Energy Skills Queensland's balance sheet is in a healthy position despite the current year deficit. Equity has reduced to \$3 million with assets totalling \$3.6 million and liabilities totalling \$612 thousand. Total Assets are comprised of a commercial property located at 70 Sylvan Road valued at \$1.8 million, intangible training assets valued at \$144 thousand and cash equivalents balance of \$1.4 million. Notable changes in 2020/21 asset positions compared to the previous reporting position included the cash equivalents balance reducing by \$423 thousand and receivables increasing by \$47 thousand. Total Liabilities are comprised of trade payables, a training fund, staff entitlements and unacquitted government grants. The current ratio for ESQ is 2.57:1 which compares current assets to current liabilities lets us know that ESQ is able to easily meet any short-term debt obligations. ESQ has always traditionally held a high cash position which allows the flexibility to take opportunities when they arise.

Future Focus

Moving forward into 2021/22, some key areas for corporate services include:

- Changeover requirements to Energy Skills Ltd;
- New reporting and disclosure requirements;
- Operation and reporting of SkillPASS joint venture.

Andrew Jacovides
Director - Finance and Corporate Services
Energy Skills Queensland

Audited Financial Statements

2020/2021

Income Statement for the year ended in June 2021

	Note	2021 (\$)	2020 (\$)
Income			
Licensed products		66,293	62,610
Grant (local) operating		0	212,400
Interest received		356	21,515
Project management and consultancy fees		1,720,576	1,650,459
Sundry		460,063	282,064
Total Income		2,247,288	2,229,048
Expenditure			
Audit and accounting fees		13,000	12,061
Computer expenses		33,693	54,317
Conference expenses		1,173	6,847
Depreciation expense		114,805	97,898
Event expenses		11,476	14,333
Insurance expenses		6,541	6,302
Marketing and research		17,513	8,020
Office expenses		6,781	3,974
Postage		8,986	5,038
Printing and stationery		14,530	22,905
Project and consultancy expenses		192,805	294,741
Rent		11,596	5,350
Salaries		1,664,262	1,240,956
Salary related oncosts		151,813	164,463
Staff recruitment		401	1,355
Staff related expenses		6,795	7,152
Telephone expenses		8,481	13,050
Travel expenses		34,596	51,409
Other expenses	2	98,198	138,715
Total expenses		2,397,445	2,148,886
Current year surplus / (deficit)		(150,157)	80,162
Accumulated surplus at the beginning of the financial year		3,117,847	3,037,685
Accumulated surplus at the end of the financial year		2,967,690	3,117,847

Audited Financial Statements 2020/2021

Assets and Liabilities as at June 2021

	Note	2021 (\$)	2020 (\$)
Assets			
Current Assets			
Cash and cash equivalents	3	1,355,893	1,778,946
Accounts receivable and other debtors	4	216,052	169,186
Other assets		4,232	4,074
Total Current Assets		1,576,177	1,952,206
Non-Current Assets			
Intangible assets	5	144,054	136,357
Land, building and improvements	6	1,846,065	1,899,938
Plant and equipment	6	46,920	57,975
Total Non-Current Assets		2,037,039	2,094,270
Total Assets		3,613,216	4,046,476
Liabilities			
Current Liabilities			
Trade and other payables	7	476,513	492,438
Provisions	8	92,281	85,131
Unacquitted grant funds	9	44,172	329,823
Total Current Liabilities		612,966	907,392
Non Current Liabilities			
Provisions	10	32,560	21,237
Total Non Current Liabilities		32,560	21,237
Total Liabilities		645,526	928,629
Net Assets		2,967,690	3,117,847
Equity			
Accumulative funds brought forward		3,117,847	3,037,685
Current year surplus		(150,157)	80,162
Total Equity	11	2,967,690	3,117,847

Audited financial statements 2020/2021

Notes to financial statements for the year ended 30 June 2021

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

Intangible assets

Research and development

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

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

Impairment of assets

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

Employee provisions

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

Audited financial statements 2020/2021

Notes to financial statements for the year ended 30 June 2021

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 2020/2021

Notes to financial statements for the year ended 30 June 2021

Note 2: Other Expenses	2021 (\$)	2020 (\$)
Bad debts	(7)	(1,667)
Bank charges	8,175	11,173
Body corporate fees	17,819	15,937
Cleaning/rubbish removal	13,279	13,440
Electricity expenses	12,984	13,472
Entertainment expenses	3,269	1,580
Fringe benefit tax	3,910	6,047
Hire – general	-	289
Legal	8,751	41,407
Meeting expenses	4	92
Motor vehicle expenses	4,327	5,056
Other expenses	4,760	10,879
Subscriptions and memberships	20,815	20,737
Uniforms	112	273
Total	98,198	138,715

Note 3: Cash and Cash Equivalents	2021 (\$)	2020 (\$)
Business online saver	891,852	1,366,467
Cash management account	130,387	54,276
Electronic Clearing	(852)	-
PayPal	1,872	404
Resources Training Fund (457 Visa)	332,634	357,799
Total	1,355,893	1,778,946

Note 4: Accounts Receivable and Other Debtors	2021 (\$)	2020 (\$)
Trade debtors	154,066	78,386
Interest and Other amounts receivable	8	119
Other debtors	6,255	-
JobKeeper Subsidy	-	39,000
ATO Cash Flow Boost	-	12,500
Provision for Doubtful Debts	-	(6)
Staff Debtors	3,500	-
Joint Venture - SkillPASS Pty Ltd	52,223	39,187
Total	216,052	169,186

Audited financial statements 2020/2021

Notes to financial statements for the year ended 30 June 2021

Note 5: Intangible Assets	2021 (\$)	2020 (\$)
Generic Induction	67,857	25,934
Less amortised	(11,310)	(432)
SkillPASS	223,371	223,371
Less amortised	(167,794)	(145,457)
SLAW	36,601	36,601
Less amortised	(10,978)	(3,660)
Trademarks	4,500	-
Less amortised	(263)	-
Cyber Security	2,400	-
Less amortised	(330)	-
Total	144,054	136,357

Note 6: Property, Plant and Equipment	2021 (\$)	2020 (\$)
Land and building – at cost	1,943,837	1,943,837
Building improvements – at cost	392,952	382,952
Less accumulative depreciation	(480,724)	(426,851)
Plant and equipment – at cost	219,385	210,370
Less accumulated depreciation	(176,451)	(159,038)
Software – at cost	261,534	261,534
Less accumulated depreciation	(257,548)	(254,892)
Total	1,892,985	1,957,912

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	1,899,938	1,953,811
Additions	-	-
Depreciation expense	(53,873)	(53,873)
Sub-total	1,846,065	1,899,938

Property, Plant and Equipment

Balance at beginning of the year	51,331	50,218
Additions	9,015	6,545
Depreciation expense	(17,411)	(5,431)
Sub-total	42,935	51,331

Audited financial statements 2020/2021

Notes to financial statements for the year ended 30 June 2021

Note 6: Continued: Property, Plant and Equipment	2021 (\$)	2020 (\$)
Software		
Balance at beginning of the year	6,642	1,822
Additions	-	6,850
Depreciation expense	(2,657)	(2,028)
Sub-total	3,985	6,643
Total	1,892,985	1,957,912

Note 7: Trade and other Payables	2021 (\$)	2020 (\$)
457 Visa Training Fund	332,779	357,799
Accrued expenses and other creditors	74,483	77,016
Goods and services tax payable	19,227	6,284
PAYG	23,721	31,394
Payroll Tax Payable	(408)	(2,996)
Trade creditors	25,106	22,941
Superannuation Payable	1,605	1,605
Total	476,513	492,438

Note 8: Provisions	2021 (\$)	2020 (\$)
Annual leave	91,105	76,559
FBT	1,176	8,572
Total	92,281	85,131

Audited financial statements 2020/2021

Notes to financial statements for the year ended 30 June 2021

Note 9: Unacquitted Grant Funds	2021 (\$)	2020 (\$)
Project Grants		
DET VET Services	1,029,118	869,118
Less expended	(1,029,118)	(869,118)
	-	-
RET - 183	50,219	50,219
Less expended	(50,219)	(29,336)
	-	20,883
RET - 185	50,462	50,462
Less expended	(50,462)	(30,025)
	-	20,437
SQW - 5161	71,300	-
Less expended	(68,850)	-
	2,450	-
SQW - 5162	78,375	-
Less expended	(78,375)	-
	-	-
SQW - 5163	41,000	-
Less expended	(39,220)	-
	1,780	-
SQW - 5183	79,000	-
Less expended	(78,085)	-
	915	-
SQW - 5212	75,000	-
Less expended	(75,000)	-
	-	-
SQW - 28559	28,000	-
Less expended	(28,000)	-
	-	-

Audited financial statements 2020/2021

Notes to financial statements for the year ended 30 June 2021

Note 9: Unacquitted Grant Funds	2021 (\$)	2020 (\$)
Project Grants		
SQW - 5299	49,630	-
Less expended	(26,943)	-
	22,687	-
SQW - 5301	57,190	-
Less expended	(40,850)	-
	16,340	-
SQW - CQ2917- Rail	48,200	48,200
Less expended	(48,200)	(48,200)
	-	-
SQW - CQ3433 - Rail	76,400	76,400
Less expended	(76,400)	(76,400)
	-	-
SQW - CQ3831 - Rail	49,800	49,800
Less expended	(49,800)	(49,800)
	-	-
SQW - CQ3832 - Rail	76,500	76,500
Less expended	(76,500)	(76,500)
	-	-
SQW - CQ4671	82,650	42,000
Less expended	(82,650)	(40,614)
	-	1,386
SQW - MT3431	82,200	82,200
Less expended	(82,200)	(82,200)
	-	-
SQW - MT3833	51,380	51,380
Less expended	(51,380)	(51,380)
	-	-

Audited financial statements 2020/2021

Notes to financial statements for the year ended 30 June 2021

Note 9: Unacquitted Grant Funds	2021 (\$)	2020 (\$)
Project Grants		
SQW - MT4181	74,224	53,200
Less expended	(74,224)	(73,694)
	-	(20,494)
SQW - MT4189	70,498	53,620
Less expended	(70,498)	(70,498)
	-	(16,878)
SQW - MT4692	139,150	106,440
Less expended	(139,150)	(22,054)
	-	84,386
SQW - NC3430	91,000	91,000
Less expended	(91,000)	(91,000)
	-	-
SQW - NC3435	71,715	71,715
Less expended	(71,715)	(71,715)
	-	-
SQW - NC4185	73,913	53,550
Less expended	(73,913)	(58,242)
	-	(4,692)
SQW - NC4675	55,379	40,350
Less expended	(55,379)	-
	-	40,350
SQW - NC4677	80,580	40,700
Less expended	(80,580)	(33,336)
	-	7,364
SQW - NC4696	317,198	218,760
Less expended	(317,198)	-
	-	218,760

Audited financial statements 2020/2021

Notes to financial statements for the year ended 30 June 2021

Note 9: Unacquitted Grant Funds	2021 (\$)	2020 (\$)
Project Grants		
SQW - NC2525	45,000	45,000
Less expended	(45,000)	(45,000)
	-	-
SQW - NQ3432	81,140	81,140
Less expended	(81,140)	(81,140)
	-	-
SQW - NQ3434	73,400	73,400
Less expended	(73,400)	(73,400)
	-	-
SQW - NQ4211	77,600	55,440
Less expended	(77,600)	(77,119)
	-	(21,679)
Total	44,172	329,823

Note 10: Provisions (Non-Current)	2021 (\$)	2020 (\$)
Long service leave	32,560	21,237
Total	32,560	21,237

Note 11: Accumulative Funds	2021 (\$)	2020 (\$)
Brought forward	3,117,847	3,037,685
Surplus/(Deficit) for the year	(150,157)	80,162
Carried forward	2,967,690	3,117,847

Audited financial statements 2020/2021

Notes to financial statements for the year ended 30 June 2021

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 was approved to change the operating structure to a company Limited by Guarantee at the 2020 AGM. This change has not yet taken place. 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 2021, 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 2021

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 2021, 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 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.

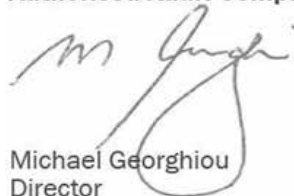
As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- 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


Michael Georghiou
Director

Date: 25 September 2021



ANNUAL REPORT

2020 / 2021

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