ANNUAL REPORT 2021/2022

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energyskills queensland

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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of Brochure

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A Message from the Energy Skills Queensland Chair

It is evident to all that 2021/22 has been extremely difficult for Energy Skills Queensland. Of equal significance has been the impact on its people and its financial position.

The reduced opportunity to deliver Skilling Queenslanders for Work was disappointing and created a range of challenges. It also exposed the extent of the organisation's vulnerability to this program, having built it up over preceding years.

The Board looked long-term, and whilst ensuring the remainder of the financial year was focused on limiting revenue losses and controlling costs, it also prepared for the inevitable recovery.

With an eye to long-term sustainability, the Board supported the CEO in maintaining its smaller but talented resource base. It also supported the team in diversifying and extending its tender base, noting by year-end $5.2M worth of tenders had been prepared and some early evidence of success was emerging The Board also remained firmly behind the strategy of strengthening Energy Skills Queensland's engagement with Industry at every turn.

The organisation's commitment to its Industry Reference Groups and its Industry Skills Advisory role remain key features of its commitment to the health of the sector. The decision to maintain a sensible resource base for the year ahead held an element of risk, but was clearly important as this capacity would be required to help shape the future of Queensland's skilling and training needs.

Engagement on the Queensland Ministerial Energy Council continued, as did Energy Skills Queensland's support in the formal Review of the Electrical Safety Act. These commitments are important forums for the organisation in representing its members, and from which to call out and be part of the 'new energy future'.

The Board also remains committed to the transition of Energy Skills Queensland Incorporated to a company limited by guarantee, noting that the legal processes to enable this transition were delayed in 2021/22. It will be pleasing to have this issue finally behind us, ensuring the Energy Skills Queensland brand remains strong in the market.

In what has been one of our most challenging years, I wish to extend my thanks to members of the Board, to staff, and to our Energy Skills Queensland members and supporters in navigating the unexpected impacts of COVID-19. These thanks extends to the Board of SkillPASS Pty Ltd, as they work tirelessly to build the value of the joint venture partnership with Damstra.

The consolidation of Energy Skills Queensland as an independent training and skilling voice for the Queensland Energy Industry, is paramount. In times of unprecedented change, we must continue to help industry - as well as governments and the training sector - prepare for the future.

Peter Price
Chairman
Energy Skills Queensland

> The organisation's commitment to its Industry Reference Groups and its Industry Skills Advisory role remain key features to its commitment to the health of the sector.

Corporate Governance

Energy Skills Queensland Board

Energy Skills Queensland is an incorporated Association. The Board has reported and continous disclosure obligations under the Associations Incorporation Act 1981.

Management Structure

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

Management Committe

Peter Price
Chairman

Malcolm Richards
Deputy Chairman

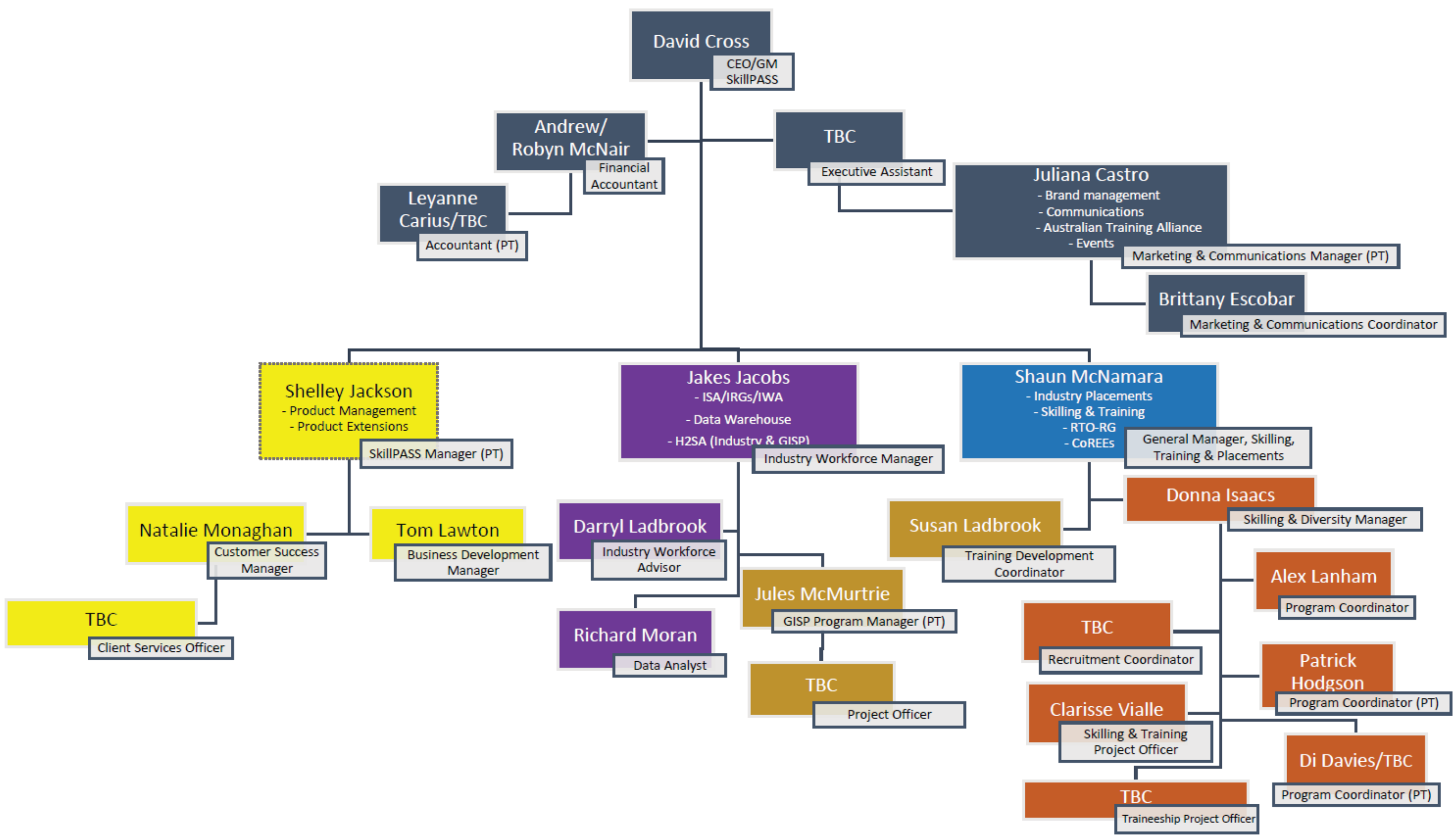
Edwin De Prinse
Treasurer

Belinda Watton
Chairman

Dominic Schipano
Chairman

Scott Reichman
Chairman

Staffing Structure



A Message from the Energy Skills Queensland CEO

The past couple of years have been unique, at times confronting, and also very taxing. Individuals and organisations alike, have been forced to navigate extended lockdowns, delays in decision making, and an unprecedented level of ambiguity. A ‘new norm’ has emerged that all are coming to terms with. Nonetheless, the impact of the pandemic on Energy Skills Queensland has been very significant.

In the last Annual Report (2020/21) I made reference to the fact that, “Whilst COVID-19 manifested itself just prior to the commencement of the Financial Year, the impact was most significantly felt in 2020/21”. Moreover I made mention that, “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”.

How wrong I was with my assumption and my timing.

Energy Skills Queensland, and certainly I as CEO, had assumed we were largely through the potential of the pandemic to play a role in significantly impacting our business. This was not the case, and the pain is clearly borne out in our financial result.

Confronted with a level of indecision that led to extended and always shifting deadlines, Energy Skills Queensland was ultimately hit hard at the end of the first half of 2021/22 with a much smaller than expected program of work. The organisation had no reason to believe that it was unlikely to obtain the level of support it had achieved each year over the two years prior, given it had consistently delivered on key Skilling Queenslanders for Work metrics (especially given the need to get this cohort back into work with the looming skills shortage).

This was a massive miscalculation. The outcome erased all of the gains of the years prior (just over $500,000 net, across four years), and triggered a very different second half-year to the one intended. Sadly, one-third of our resources were lost.

The year’s collectively losses were 80% attributable to the period prior to December 2021, and 20% attributable to the period January to June 2022. The damage had been done.

The impact was contraction of our capacity to deliver on other areas as well; especially in training product development and in some contract service areas. For Energy Skills Queensland, this meant battening down the hatches, undertaking sensible cost reduction measures, and not replacing staff.

Recognising the bulk of the damage had already occurred, the organisation set its sights on limiting further damage and retaining those individuals important to diversifying its tendering portfolio. Moreover, it prioritised a post-pandemic action plan that would enable the organisation to assist the ‘new energy future’.

Staff prepared $5.2M worth of tenders (February to May 2022), and as the new financial year began it was evident that revenues would lift considerably from a poultry $1.2M in 2021/22 to approaching $3.0M at the time of the Annual Report being published (November 2022).

In essence, the decision to broaden Energy Skills Queensland’s charter by embracing sub-brands Hydrogen Skills Australia (H2SA), IoT Skills Australia (IoTSA), and to reinforce the organisation’s commitment to Energy training (through the Australian Training Alliance – Energy Gateway) and to Energy jobs (via Energy Placement Services) were all starting to show positive signs.

With the uncertainty of lockdowns and general business interruption, SkillPASS also tightened up its cost base, managing its organic growth and focusing on the transitional arrangements including the eventual introduction of the Enterprise Protection Platform (EPP).

Pleasingly, Energy Skills Queensland was able to continue its workforce planning efforts and make important strategic inroads into its consultancy platform with work undertaken in conjunction with the University of Technology Sydney (UTS), Swinburne University (Melbourne), and with the Australian Gas Industry Trust (AGIT). Despite the unexpected predicament it found itself in, for the staff, contributing to the ‘new energy future’ was always top of mind.

In short, the year was far from rewarding. Disrupted revenues, disrupted workflows, and in-decision plagued the first half of the year. The second half was significantly impacted as a result and other opportunities such as Solar Safety and the adoption of Electric Vehicle training were derailed. That said, amongst the confusion, new ones were born; namely, Cybersecurity.

I wish to extend my sincere thanks to the Energy Skills Queensland Board, and especially to staff. Enduring this journey was incredibly difficult, but it is clear that the sacrifices made are calling out a much brighter future. The early signs in 2022/23 are most pleasing.

David Cross
Chief Executive Officer
Energy Skills Queensland

Over the past 12 months, Hydrogen has become the big mover in energy innovation. Governments across the nation have embraced its potential and community interest is high. Industry is also now driving the opportunity with significant financial commitments, innovative thinking, and considerable effort to go after the potential that this low/zero emission fuel represents.

A wide range of groups continue to explore different vectors and different approaches to production, storage and to manage hydrogen. Electrolysis underpinned by renewable energy sources is being aggressively pursued, and the first shipment of liquid hydrogen has gone to Asia. Market creation is underway to build a critical mass of domestic consumption; especially green hydrogen, and the export market remains a key driver. The pace of change has been astonishing.

Under its Hydrogen Skills Australia (H2SA) banner, the Energy Skills Queensland journey continues, including supply chain assessments, job role mapping, and initial gap analysis work. Since joining the national conversation a few years ago, H2SA continues to add value, undertaking consulting work in NSW and Victoria. All of this complements Energy Skills Queensland's representation on the national Industry Reference Committee – Gas, the national Renewables Technical Advisory Committee, and the Ministerial Energy Council and Hydrogen Development Sub-Committee. Certainly the timeframes for Hydrogen have shortened, and Energy Skills Queensland is well positioned.

SkillPASS was also impacted in 2021/22 by the COVID-19 pandemic. Staff resources were scaled back, and time was spent in finalising key organisational elements under the joint venture arrangements. The Enterprise Protection Platform (EPP) is now operational, and SkillPASS' clients enjoy higher standards of verification and more robust data management protection (ISO9001 and ISO27001). Profiles exceed 40,000 (mostly Gas) individuals, but this is just the beginning.

SkillPASS is poised to attract considerable interest. This is a reflection of both the now obvious national skills shortage, as well as the re-emergence of the labour market following sporadic lockdowns. Industry is finally, and more broadly, valuing a skills verification service to better match workers to vacancies and on which to enhance their competitiveness. Growing key product extensions - delayed under COVID-19 - and linking them more strongly with training opportunities offers great potential for Energy Skills Queensland and Damstra. Augurs well for the future.

Finding the value proposition within the Energy Placement Services (EPS) model has proven a little more elusive than first thought, but the need is certainly there. Skilling, mentoring and placing individuals into meaningful work builds on and is a natural extension of the long-term efforts of those involved in Skilling Queenslanders for Work programs. What has become especially evident, is that employers lack the skills or knowhow to navigate available training schemes. Helping employers and employees alike, solve these knowledge gaps is rapidly emerging as the opportunity and point of difference for EPS.

In addition to providing individual employers' support, Industry-based solutions are becoming increasingly important. With tens of thousands of skilled workforce employees wanted for all sectors in Energy, EPS is emerging as a critical partner in providing such guidance and advice. This has extended into the Federal arena, and establishes a win:win, as EPS is able to help steer small to medium enterprises attract staff but also create training opportunities for registered training organisations (RTOs). Amalgamating EPS with Training and Skilling, and complementing it with SkillPASS, is a powerful and compelling multi-faceted platform.


Queensland
operated by ConocoPhillips -APLNG
Bellis Australia
Cement Australia
GTC Financial
Homeground
Certificate
7 Whales in Moscow

The scaling back of resources following the significant impact of COVID-19 on revenues, on top of known maternity leave requirements, meant progress for the final aspects of the development of ATA – Energy Gateway was slower in 2021/22 than had been hoped and had been expected. Sales were held back, and onboarding deferred. Nevertheless, the need remains strong; a one-stop-shop for registered training organisations (RTOs) to showcase their energy wares, and a one-stop-shop national portal for individuals to navigate and explore their training interests relating to the Energy Industry. The opportunity will be realised in 2022/23 as the software is now built and tested.

Preparing for wide ranging adoption of Industry 4.0 driven deliverables in the Energy Industry is an imperative. The slow incremental adoption of equipment and practices that rely on artificial intelligence is definitely being realised, with many within the Energy Industry being first adopters.

The 'Internet of Energy' is real, highlighting the intimate connectedness with which we will all soon live and work. Arguably accelerated by behavioural change in the pandemic, the fourth industrial revolution (Industry 4.0) will become increasingly obvious to all in the second half of this decade. At the moment, it is early days, and to date the roll out has manifested itself in positive as well as negative ways.

Automation on mines is well progressed with driverless haulage equipment and other work practices that arguably make things a little safer. On a less positive note, the massive exposure the community and keys sectors of the Energy Industry has in relation to cyberthreats is now very evident, and Australia is scrambling for solutions.

The online Cybersecurity Skill Set that Energy Skills Queensland has prepared recognised this need quite early. It was built on the fact that 95% of all Cybersecurity breaches are founded in human error. The vulnerability of the supply chain in Gas and Electrotechnology - underpinned by the activity and actions of small-medium-enterprises (SMEs) - remain particularly exposed. The completion of course content was slowed in 2021/22, and significant adoption is expected in 2022/23. It is fair to say that SMEs remain substantially underprepared, and as the year came to a close, signs of this exposure was ramping up. Energy Skills Queensland's preparations, under its IoT Skills Australia banner, means it is now ready to assist.

The work of Energy Skills Queensland in preparing a First Responders' Electric Vehicle Safety program also took a hit in 2021/22 as Energy Skills Queensland's resources were themselves trapped interstate (due to Victoria's sudden and lengthy lockdown) and also lost to the circumstances the organisation found itself in. More telling was the impact of floods and subsequent demands on the Emergency Services, and so concluding this program by Year End was unachievable. With Government agreement, the program will now be ready by the end of Calendar Year 2022. Additional work was also won for the year ahead, in assisting Electricians better prepare for the integration of electric vehicles ('mobile batteries') into home and business premises. Much of this work will centre on charge-station infrastructure.

Financial Report

Profit and Loss Summary & Balance Sheet Summary

Result

Energy Skills Queensland was significantly impacted by COVID-19 in 2021/22. The pandemic created a very challenging business environment and impacted almost all of the organisation's revenue streams. It also impacted key external decision making, which once realised, and with no corresponding access to government stimulus packages as on offer the year prior, ensured much of the remainder of the financial year was focused on limiting revenue losses, controlling costs, and preparing for an inevitable recovery and with-it long-term sustainability.

Upon receipt in December of the long-delayed Skilling Queenslanders for Work funding decisions - a traditionally strong performer for Energy Skills Queensland - management was forced to urgently reduce costs, but in a way that would not harm the potential of the organisation to respond in 2022/23 to the emerging new energy future. It was a difficult balance to strike with Energy Skills Queensland's corresponding operating performance for the 2021/22 Financial Year resulting in a $624 thousand deficit - 80% of it lost in the first half of the financial year.

At mid-year then, Energy Skills Queensland found itself in an extremely unfortunate position and with only limited capacity to rectify its trajectory. The unexpected tender results for the Skilling Queenslanders for Work significantly impacted the equity position and especially the cash position of the organisation. As a not-for-profit organisation that seeks to maximises its service for a near breakeven result, the net loss for the year was unfortunate and below expectations. It followed the deficit of 2020/21, and three consecutive years prior of surpluses; meaning these gains have now vanished.

Revenues

At $0.90M below budget, the Skilling Queenslanders for Work tender outcome was profound. As well, only one round of tendering was ultimately offered; unusual given the program traditionally offers a small second round. The effect was two-fold; one, the significant reduction in Skilling Queenslanders for Work revenues, and two, with reduced personnel Energy Skills Queensland also struggled to progress delivery on its other revenue areas. For example, Training product revenues were down by over $0.56M.

On a brighter note, SkillPASS broke even after $0.24M was realised to Energy Skills Queensland as income (a circumstance reflective of the agreed joint venture unit trust arrangements), but again with significant cost cutting on resourcing.

Overall then, total income of $1.23M in 2021/22 was $1.02M below the prior year, and $1.68M below the approved and expected budget revenues. Also, off a much lower revenue base, government-sourced revenues accounted for just 52% of Energy Skills income compared with 74% a year earlier. Industry generated revenue accounted for the balance.

Expenses

Total expenses for 2021/22 amounted to $1.85M million which was $0.55M less than 2020/21, and $1.04M less than the approved budget expenditure. Wages was the major expense accounting for 73% of total expenses compared to 76% of total expenses in 2020/21. As a service organisation staffing costs will always be a major expense with 16 full-time equivalent staff at the outset, but upon learning of the unexpected Skilling Queenslanders for Work result, dropping to just 10 staff for much of the remainder of the Financial Year.

Balance Sheet Summary

Financial position

Energy Skills Queensland's equity has reduced to $2.34M with assets totalling $2.95M and liabilities totalling $603 thousand. The Balance Sheet position is down 22%, effectively reversed the gains of the three years prior to 2020/21.

Total Assets are comprised of a commercial property located at 70 Sylvan Road valued at $1.82M, intangible training assets valued at $156 thousand and cash equivalents balance of $785 thousand.

Notable changes in 2021/22 asset positions compared to the previous reporting position included the cash equivalents balance reducing by $570 thousand and receivables decreasing by $66 thousand.

Total Liabilities are comprised of trade payables, a training fund, staff entitlements and unacquitted government grants. The current ratio for Energy Skills Queensland is 1.67:1 which compares current assets to current liabilities indicates that Energy Skills Queensland is able to meet short-term debt obligations.

Energy Skills Queensland has always traditionally held a high cash position which allows the flexibility to take opportunities when they arise, however this will not be as easy going forward as it once was with this result.

Future Focus

Moving forward into 2022/23, some key areas for corporate services include:

- Operation and reporting of the SkillPASS joint venture;
- Changeover requirements to Energy Skills Ltd (delayed in 2022 due to ASIC needs); and
- New reporting and disclosure requirements, accompanying the move to Energy Skills Ltd.

In addition, revenues are expected to significantly improve but margins will remain tight.

In financial terms it has been a very challenging year.

Finance and Corporate Services
Energy Skills Queensland

Audited Financial Statements 2021/2022

Income Statement for the year ended in June 2022

	Note	2022 ($)	2021 ($)
Income			
Licensed products		16,022	66,293
Interest received		153	356
Project management and consultancy fees		1,142,490	1,720,576
Sundry		71,676	460,063
Total Income		**1,230,341**	**2,247,288**
Expenditure			
Audit and accounting fees		17,470	13,000
Computer expenses		43,467	33,693
Conference expenses		7,129	1,173
Depreciation expense		137,533	114,805
Event expenses		4,521	11,476
Insurance expenses		9,707	6,541
Marketing and research		5,886	17,513
Office expenses		4,417	6,781
Postage		1,933	8,986
Printing and stationery		10,323	14,530
Project and consultancy expenses		124,735	192,805
Rent		11,854	11,596
Salaries		1,230,676	1,664,262
Salary related oncosts		119,758	151,813
Staff recruitment		4,188	401
Staff related expenses		5,462	6,795
Telephone expenses		11,317	8,481
Travel expenses		18,435	34,596
Other expenses	2	85,468	98,198
Total expenses		**1,854,279**	**2,397,445**
Current year surplus / (deficit)		**(623,937)**	**(150,157)**
Accumulated surplus at the beginning of the financial year		**2,967,690**	**3,117,847**
Accumulated surplus at the end of the financial year		**2,343,753**	**2,967,690**

Audited Financial Statements 2021/2022

Assets and Liabilities as at June 2022

	Note	2022 ($)	2021 ($)
Assets			
Current Assets			
Cash and cash equivalents	3	785,143	1,355,893
Accounts receivable and other debtors	4	149,622	216,052
Other assets		4,978	4,232
Total Current Assets		**939,743**	**1,576,177**
Non-Current Assets			
Intangible assets	5	156,019	148,040
Land, building and improvements	6	1,820,905	1,856,065
Plant and equipment	6	30,583	42,935
Total Non-Current Assets		**2,007,507**	**2,047,040**
Total Assets		**2,947,250**	**3,623,217**
Liabilities			
Current Liabilities			
Trade and other payables	7	444,400	476,513
Provisions	8	86,327	92,281
Unacquitted grant funds	9	30,152	44,172
Total Current Liabilities		**560,879**	**612,966**
Non Current Liabilities			
Provisions	10	42,618	32,560
Total Non Current Liabilities		**42,618**	**32,560**
Total Liabilities		**603,497**	**645,526**
Net Assets		**2,343,753**	**2,967,690**
Equity			
Accumulative funds brought forward		2,967,690	3,117,847
Current year surplus		(623,937)	(150,157)
Total Equity	**11**	**2,343,753**	**2,967,690**

Audited Financial Statements 2021/2022

Notes to financial statements for the year ended 30 June 2022

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 ⅔ years calculated under the diminishing value basis

• Plant and equipment – 3-10 years calculated under the diminishing value basis

• Software – 2 ½ years calculated under the straight-line basis

• Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Intangible assets

Research and development

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

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

Impairment of assets

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

Employee provisions

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

Audited Financial Statements 2021/2022

Notes to financial statements for the year ended 30 June 2022

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.

Licenced product revenue is revenue generated from courses owned by the business and licenced out to registered training providers for deliver.

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.

Project management and consultancy fees revenue is revenue generated from workforce planning employment programs and the SkillPASS product.

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.

Sundry revenue is revenue generated from sublet of the commercial property owned by the business, employment subsidies, and sales of fixed assets. This revenue line is generally recognised at the time of receipt.

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 2021/2022

Notes to financial statements for the year ended 30 June 2022

Note 2: Other Expenses	2022 ($)	2021 ($)
Bad debts	-	(7)
Bank charges	9,244	8,175
Body corporate fees	18,216	17,819
Cleaning/rubbish removal	11,503	13,279
Electricity expenses	12,013	12,984
Entertainment expenses	1,707	3,269
Fringe benefit tax	3,545	3,910
Hire – general	75	-
Legal	5,601	8,751
Meeting expenses	17	4
Motor vehicle expenses	1,785	4,327
Other expenses	4,713	4,760
Subscriptions and memberships	16,822	20,815
Uniforms	227	112
Total	**85,468**	**98,198**
Note 3: Cash and Cash Equivalents	**2022 ($)**	**2021 ($)**
Business online saver	341,916	891,852
Cash management account	147,410	130,387
Electronic Clearing	-	(852)
PayPal	900	1,872
DiviPay	600	-
Resources Training Fund (457 Visa)	294,317	332,634
Total	**785,143**	**1,355,893**
Note 4: Accounts Receivable and Other Debtors	**2022 ($)**	**2021 ($)**
Trade debtors	128,578	154,066
Interest and Other amounts receivable	51	8
Other debtors	-	6,255
Staff Debtors	132	3,500
Joint Venture - SkillPASS Pty Ltd	20,861	52,223
Total	**149,622**	**216,052**

Audited Financial Statements 2021/2022

Notes to financial statements for the year ended 30 June 2022

Note 5: Intangible Assets	2022 ($)	2021 ($)
Generic Induction	117,857	67,857
Less amortised	(38,095)	(11,310)
SkillPASS	226,071	223,371
Less amortised	(189,923)	(167,794)
SLAW	36,601	36,601
Less amortised	(18,299)	(10,978)
Trademarks	4,500	4,500
Less amortised	(713)	(263)
Cyber Security	21,540	2,400
Less amortised	(5,910)	(330)
Software	261,534	261,534
Less amortised	(259,144)	(257,548)
Total	**156,019**	**148,040**
Note 6: Property, Plant and Equipment	**2022 ($)**	**2021 ($)**
Land and building – at cost	1,943,837	1,943,837
Building improvements – at cost	412,400	392,952
Less accumulative depreciation	(535,332)	(480,724)
Plant and equipment – at cost	214,520	219,385
Less accumulated depreciation	(183,937)	(176,450)
Total	**1,851,488**	**1,899,000**
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	1,846,065	1,899,938
Additions	29,448	-
Depreciation expense	(54,608)	(43,873)
Sub-total	**1,820,905**	**1,856,065**
Property, Plant and Equipment		
Balance at beginning of the year	42,935	51,331
Additions/Disposals	(4,866)	9,015
Depreciation expense	(7,486)	(17,411)
Sub-total	**30,583**	**42,935**
Total	**1,851,488**	**1,899,000**

Audited Financial Statements 2021/2022

Notes to financial statements for the year ended 30 June 2022

Note 7: Trade and other Payables	2022 ($)	2021 ($)
457 Visa Training Fund	275,265	332,779
Accrued expenses and other creditors	82,357	74,483
Goods and services tax payable	16,965	19,227
PAYG	17,578	23,721
Payroll Tax Payable	-	(408)
Trade creditors	52,235	25,106
Superannuation Payable	-	1,605
Total	**444,400**	**476,513**
Note 8: Provisions	**2022 ($)**	**2021 ($)**
Annual leave	82,094	91,105
Parental leave	3,178	-
FBT	1,055	1,176
Total	**86,327**	**92,281**

Note 9: Unacquitted Grant Funds	2022 ($)	2021 ($)
Project Grants		
DET VET Services - Workforce Planning	1,029,118	1,029,118
Less expended	(1,029,118)	(1,029,118)
	-	-
LJP - 183 - Kitchen Operations	50,219	50,219
Less expended	(50,219)	(50,219)
	-	-
LJP - 185 - Rail	50,462	50,462
Less expended	(50,462)	(50,462)
	-	-
SQW - 5161 - Metal Fabrication	71,300	71,300
Less expended	(71,300)	(68,850)
	-	2,450
SQW - 5163 - Electrotechnology	41,000	41,000
Less expended	(41,000)	(39,220)
	-	1,780
SQW - 5183 - Rail	79,000	79,000
Less expended	(79,000)	(78,085)
	-	915

Audited Financial Statements 2021/2022

Notes to financial statements for the year ended 30 June 2022

Note 9: Unacquitted Grant Funds Continued		
SQW - 5212 - Electric Vehicles	150,000	75,000
Less expended	(150,000)	(75,000)
	-	-
SQW - 5299 - Electrotechnology	70,805	49,630
Less expended	(70,805)	(26,943)
	-	22,687
SQW - 5301 - Rail	81,700	57,190
Less expended	(81,700)	(40,850)
	-	16,340
SQW - CQ2917- Rail	51,660	-
Less expended	(57,359)	-
	(5,699)	-
SQW - CQ3433 - Rail	41,860	-
Less expended	(46,943)	-
	(5,083)	-
SQW - CQ3831 - Rail	59,290	-
Less expended	(37,855)	-
	21,435	-
SQW - CQ3832 - Rail	47,810	-
Less expended	(28,311)	-
	19,499	-
Total	**30,152**	**44,172**

Note 10: Provisions (Non-Current)	2022 ($)	2021 ($)
Long service leave	42,618	32,560
Total	**42,618**	**32,560**

Note 11: Accumlative Funds	2022 ($)	2021 ($)
Brought forward	2,967,690	3,117,847
Surplus/(Deficit) for the year	(623,937)	(150,157)
Carried forward	**2,343,753**	**2,967,690**

Audited Financial Statements 2021/2022

Notes to financial statements for the year ended 30 June 2022

Note 12: 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. There are no events subsequent to the reporting date to disclose.

Statements by members of the management commitee

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

In the opinion of the Management Committee, this report:

• Presents a true and fair view of the financial position of Energy Skills Queensland Incorporated as at 30 June 2022, 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: 14 November 2022

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 2022, 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 2022, 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.

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

Mazars Assurance Pty Ltd
Authorised Audit Company: 338599

Michael Georghiou
Director

Date: 21 November 2022

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