



**MANUFACTURING
SKILLS
QUEENSLAND**

Annual Report 2022-2023

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More information

For enquiries or more information about this report, contact Manufacturing Skills Queensland on 1800 MSQ 000 (1800 677 000) or info@msq.org.au.

Queensland

**Good jobs
Better services
Great lifestyle**



**Queensland
Government**

Manufacturing Skills Queensland is proudly supported and funded by the Queensland Government.

Letter from the Chair

Manufacturing Skills Queensland (MSQ) functions as an autonomous entity with the primary goal of fostering a sustainable and skilled workforce within Queensland's manufacturing sector.

Established in alignment with the Queensland Government's initiative, "Making it in Queensland: Building a Stronger Manufacturing Sector," in November 2022, our endeavours align with the government's substantial investment of \$70 million into manufacturing skills and training.

The central thrust of MSQ's mission is to attract, nurture, and enhance the capabilities required to sustain a thriving manufacturing industry in Queensland. Through collaborative partnerships, we are dedicated to identifying key priorities and well-established pathways for both new entrants and existing stakeholders. MSQ seeks to establish itself as a reliable authority, supported by comprehensive research capabilities, and intends to secure its long-term viability by offering adaptable, tailored training solutions that cater to the specific demands of the industry.

MSQ envisions shaping the trajectory of manufacturing skills in Queensland for the future. Since its inception, MSQ, a startup, has made substantial progress. Having effectively carved its path since November 2022, it has matured into a fully operational independent entity that has interacted with more than 3,000 stakeholders throughout Queensland.

The strategy formulated by MSQ is tailored to empower Queensland's manufacturing industry, ensuring its sustainability and global prominence in the times to come.

Anchored by three strategic pillars, namely;

1. Attracting, Retaining & Developing Capability;
2. Partnering with Purpose; and
3. Credible Authority.

MSQ has devised an Annual Training Plan, Research Framework, and Stakeholder Engagement Plan, all of which align seamlessly with these strategic pillars.

The impending scale and intricacy of forthcoming changes correspond to the level of investment and strategic commitment outlined in pivotal Queensland Government policies, particularly the comprehensive \$62 billion Queensland Energy and Jobs Plan.

Achieving equilibrium between the longstanding strengths of Queensland's manufacturing industry and harnessing emerging opportunities remains a collaborative endeavour, necessitating a unified approach from industry, employees, government, and MSQ alike, all geared toward future-focused advancement.

In various facets, encompassing workforce development, skills enhancement, research, and stakeholder interaction, MSQ is steadfast in its commitment to being a reliable information source for Queensland's manufacturing sector. We intend to tap into the wisdom of industry leaders, the expertise of educational and training partners, and the distinctive capabilities of our local communities, all in order to offer credible guidance and support as we navigate the next phase of growth and prosperity.

Our unwavering dedication is aimed at ensuring that both MSQ and Queensland's manufacturing sector continue to flourish and evolve as powerhouses within the global manufacturing landscape.

Ultimately, MSQ is dedicated to future proofing Queensland's manufacturing industry.

Michael Glover
Director and Chairperson
Manufacturing Skills Queensland

Manufacturing matters to Queensland

Founded in November 2022, Manufacturing Skills Queensland (MSQ) was established as a commitment under the Queensland Government's *Making it in Queensland: Building a Stronger Manufacturing Sector* policy and funded by the Department of Youth Justice, Employment, Small Business and Training (DYJESBT), MSQ is an independent, purpose-led body with a remit to build a sustainably skilled workforce for a future-proofed manufacturing industry in Queensland.

Several Queensland Government strategies and initiatives demonstrate the State's ongoing commitment to manufacturing skills and workforce development including:

- *Good people. Good jobs: Queensland Workforce Strategy 2022-2032* and the \$15 million VET Emerging Industries initiative
- *Queensland Energy and Jobs Plan*
- *Queensland Advanced Manufacturing 10-Year Roadmap and Action Plan (Edition 3, October 2022)*, including the Skills Implementation Plan for Advanced Manufacturing
- *Women in Manufacturing Strategy*
- Establishment of the Ministerial Manufacturing Council, which is chaired by the Minister for Regional Development, Manufacturing and Water (RDMW)
- *Hydrogen Industry Workforce Development Roadmap 2022-2032*
- *Queensland new-industry development strategy: A strategy for new industry in a decarbonising global economy*
- Jobs Queensland's *Advancing Manufacturing Skills: A Skills, Training and Workforce Development Strategy for the Advanced Manufacturing Industry in Queensland*.

Additionally, the Queensland State Budget 2023-24 outlines measures to further support manufacturing in Queensland:

- Grow Manufacturing Capacity through Energy Programs in Queensland – As part of the Queensland Energy and Jobs Plan, \$8.9 million will be provided over five years to implement energy efficiency measures for small to medium manufacturing enterprises and undertake detailed analysis of wind farm supply chains.
- The 2023/24 budget allocates \$32.2 million for the Made in Queensland Program and \$16.7 million for the Manufacturing Hubs Grants Program to assist eligible SME's increase productivity, build manufacturing capabilities and create the jobs of the future.
- An investment of \$16.3 million over 4 years on a range of targeted new or expanded initiatives to enhance women's economic security, with a focus on supporting women in male dominated industries (including construction and trades).

Underpinned by shared principles of collaboration, local solutions, inclusiveness, and innovative practice, these strategies provide the foundational guidance for MSQ's engagement, research, workforce and skilling activities. Through this program of work, MSQ will also contribute to the Government's objectives for the community:

- *Good jobs* – Good, secure jobs in our traditional and emerging industries
- *Better services* – Deliver even better services right across Queensland.
- *Great lifestyle* – Protect and enhance our Queensland lifestyle as we grow.

Making the most of manufacturing

Boasting a workforce exceeding 180,000 individuals and contributing nearly \$23 billion to the economy in the 2021-22 period, the Queensland manufacturing sector has already established a solid foundation on which it can build and enhance its skills, capacities, and overall productivity. Within this industry, job opportunities typically offer competitive wages and a diverse range of avenues for career advancement. However, the landscape is evolving due to factors such as workforce transitions and the assimilation of novel technologies, presenting both challenges and prospects for Queensland's manufacturing domain.

Furthermore, the significance of manufacturing extends beyond its direct sphere, as it also plays a pivotal role in bolstering other established and emerging sectors throughout Queensland. This contribution becomes particularly vital in regional, rural, and remote locales, where collaborative efforts spanning industries have a palpable impact on the growth of small enterprises and the development of the local workforce.

Manufacturing Skills Queensland

MSQ will act as a conduit between industry and government, accessing the expertise of employers and workers alike to address the challenges and opportunities for manufacturing in Queensland. With a focus on developing new and emerging skills that align with Queensland Government's priority industries, MSQ will also expand the training provisions and workforce pipelines for the industry to ensure that there is a place for everyone in Queensland manufacturing.

Vision

Create the skills pathways for the future of manufacturing in Queensland.

Purpose

Build a sustainably skilled workforce for a future-proofed manufacturing industry.

Values and culture

MSQ is proudly supported by the Queensland Government and as such is reflecting the five focus areas for rejuvenation outlined in the recently revised Queensland Public Sector Act 2022.

1. Leadership: inspire and motivate employees; transform services to the community; establish a diverse leadership pipeline; and set the tone from the top.
2. Capability: acquire, develop and mobilise the right skills at the right time; secure core capabilities; and ensure knowledge transfer.
3. Performance and integrity: be responsive to the community; be apolitical; embed positive performance management; build a spirit of service; and be accountable.
4. Collaboration: bring new perspectives; address complex policy problems; and establish fit-for-purpose governance structures.
5. Inclusive cultures: get the best from all of us; attract and retain diversity; reframe the relationship with First Nations peoples; and create an engaging employment experience.

These priorities have informed MSQ's foundational strategies, plans and policies, supporting a coordinated approach to building a diverse, highly capable and responsive workforce, both within MSQ and throughout the broader Queensland manufacturing industry.

Our Board

The Board of MSQ is under the stewardship of Chairperson Michael Glover, who brings more than two decades of experience to the organisation. Mr Glover is joined by six experienced Board Directors, representing the interests of the manufacturing industry, employers and workforce, as well as the Queensland Government. The MSQ Board convened their first meeting in November 2022, meeting regularly through to June 2023.

- **Michael Glover** – over 20 years working across executive roles within the public and private sectors, including major civil and regional development functions.
- **Des Watkins** – Director of Watkins Steel (Employer Representative)
- **Natalene Carter** – Director of RID Australia and the Senior Executive Operations Manager of Dy-Mark (Employer Representative)
- **Ann-Marie Allan** – Executive Officer for the Australian Manufacturing Workers' Union (Employee Representative)
- **James Wilson** – Queensland Branch Vice President of the Australian Workers' Union (Employee Representative).
- **Steve Koch** – Acting Associate Director-General, Department of Youth Justice, Employment, Small Business and Training
- **Bernadette Zerba** – Deputy Director General, Department of Regional Development, Manufacturing and Water

Year in review

MSQ's establishment efforts seek to progress the priorities of the Queensland Government as well as MSQ Board's vision for industry advancement. The MSQ Strategic Plan 2023-24 centres on three foundational pillars with 18 associated objectives to guide the organisation's efforts over the coming years.

Attracting, Retaining and Developing Capability	Partnering with Purpose	Credible Authority
<ul style="list-style-type: none"> • Developing an attraction strategy for laterals, diverse, school, and migrant cohorts 	<ul style="list-style-type: none"> • Maximising relationships with the Queensland Government 	<ul style="list-style-type: none"> • Developing rigorous research capabilities to inform MSQ activities
<ul style="list-style-type: none"> • Developing a campaign appealing to the community 	<ul style="list-style-type: none"> • Partnering with the broader manufacturing ecosystem 	<ul style="list-style-type: none"> • Establishing expertise in emerging technologies
<ul style="list-style-type: none"> • Benchmarking retention challenges and opportunities 	<ul style="list-style-type: none"> • Amplifying manufacturing's message through community relationships 	<ul style="list-style-type: none"> • Building a data warehouse for manufacturing industry data
<ul style="list-style-type: none"> • Developing top-down messaging for a sustainable, inclusive, future-focused manufacturing industry 	<ul style="list-style-type: none"> • Partnering with unions, industry and employers 	<ul style="list-style-type: none"> • Shaping the development of public policy
<ul style="list-style-type: none"> • Mapping and enabling career development in the industry 	<ul style="list-style-type: none"> • Enhancing linkages between regional manufacturing hubs and industry 	
<ul style="list-style-type: none"> • Establishing better transferability of recognised qualifications and skills 	<ul style="list-style-type: none"> • Identifying and partnering with quality training providers 	
<ul style="list-style-type: none"> • Identifying strategies to help deliver on the Queensland Energy and Jobs Plan commitment for 100k jobs 	<ul style="list-style-type: none"> • Partnering with global industry leaders 	

Financial summary

In 2022, the Queensland Government furthered its significant existing investment in the state's manufacturing industry by committing \$16.5 million to the establishment and operation of MSQ until 30 June 2025. Subject to compliance with the Funding Agreement, this commitment will be paid across the three-year term, aligned to the start of each financial year.

Complementing the foundational support of the Queensland Government, an essential function of MSQ is sourcing ongoing funding to ensure its sustainability beyond the initial three-year period. Several potential and diversified revenue streams have been identified and are being actively pursued to secure future funding opportunities. MSQ is also securing additional contracts that align with its function and Strategic Plan, including Industry Workforce Advisors and Industry Skills Advisors.

MSQ's functionality-driven expenditure reflects its focus on tangible outputs across its workforce, skilling, research and engagement priorities. Due to the timing of the negotiated Funding Agreement, the 2022/23 financial year has noticeable discrepancies in spend compared to the original business case (see Appendix 2). The funds not allocated for 2022-23 will be held and utilised for the 2025-26 financial year.

MSQ's financial position is being continually monitored and is reported to the Board A quarterly financial statement is also being provided to the Department of Youth Justice, Employment, Small Business and Training to ensure expenditure is in line with the agreed cost model. As a newly formed organisation, MSQ's financial sustainability remains viable in accordance with the original business case and Funding Agreement, as evidenced in the submission of its latest financial statement.

Governance

MSQ was established by the Queensland Government with two foundational members:

- The Minister for the Department of Youth Justice, Employment, Small Business and Training
- The Minister for the Department of Regional Development, Manufacturing and Water

MSQ's objectives are defined in its constitution as follows:

- engaging with industry stakeholders by providing evidence-based advice and local insights on the manufacturing needs across Queensland;
- assisting manufacturing businesses, including those in regional areas, to grow and attract talent to the manufacturing sector and to encourage and promote diversity within the manufacturing workforce;
- tracking and analysing manufacturing supply chains, industry trends and needs to inform future skilling strategies and funding;
- combining both industry engagement and research to define annual training plans and recognised skills pathways;
- pursuing potential revenue streams identified with both government and industry to realise future sustainable funding pathways to support the Recipient's mandate;
- engaging the market of Registered Training Organisations to design and deliver skills training and career pathways as defined under the sector's annual training plan requirements. This should include the associated subsidisation of training to remove cost barriers to upskilling manufacturing capability across Queensland;
- delivering value-adding commercial opportunities, products and services (seminars, workshops, forums, conferences etc.) supporting specific industries across the sector;
- supporting day-to-day operations including, finance, administration, human resources, information technology, communication and marketing, website, social media and corporate secretarial support; and
- carrying out any activity that is incidental or ancillary or considered by the Board to be necessary or desirable to achieve the objectives set out in its constitution

MSQ is funded by and reportable to the Department of Youth Justice, Employment, Small Business and Training. The following key principles were considered by the Department in the development of MSQ's governance model:

- *Accountability* – the entity's functions are accountable to Parliament, with lines of accountability clear and responsibilities well understood
- *Effectiveness* – successfully support the objectives of the entity with an appropriate level of resourcing and expertise
- *Efficiency* – the entity can quickly adapt and respond to emerging needs and changing regulatory issues with minimal overlap or duplication with government departments or similar bodies
- *Independence* – carries out its functions and powers independently and is separate from any regulatory and political interference
- *Transparency* – clearly identify the objectives of the entity and how it is performing against these objectives
- *Public and industry confidence* – a high level of confidence in the compliance and enforcement functions, with a low risk of perceived political interference.

Committees

Audit and Risk Management Committee

The objective of the Audit and Risk Management Committee is to provide independent advice and assistance to the MSQ Board on a range of matters including:

- Risk, control and compliance frameworks
- The effectiveness of MSQs risk and governance culture
- MSQs external accountability responsibilities as prescribed in legislation and standards.

MSQ's Audit and Risk Management Committee is responsive to Queensland Audit Office requirements, relevant provisions of the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and *Corporations Act 2001*.

Remuneration Management Committee

MSQ's Remuneration Management Committee provides independent advice and assistance to the MSQ Board on people and culture frameworks, policies and standards for accountability. The Committee seeks to ensure a culture where:

- all employees are treated with respect and fairness;
- all employees conduct themselves with honesty and reliability; and
- bullying is not tolerated and reported immediately.

The Committee will prepare and provide to the Board an Annual Review of self-evaluation against the Remuneration Committee Charter, review of the chief executive officers performance and recommended objectives and opportunities for the coming year.

Looking ahead

Manufacturing in Queensland is uniquely positioned to harness an array of opportunities for industry progression, expansion and diversification.

While a strong foundation has been laid with the establishment of MSQ and significant investment by the Queensland Government, there is more work to be done to ensure a cohesive, collaborative, and impactful transformation of the manufacturing industry and its workforce.

The way forward will be guided by MSQ's Strategic Plan and the development and delivery of our Annual Training Plan. We are starting some of this work including:

- Research and analytical projects with regards to future skills and workforces.
- Developing a pathway to apprenticeships project.
- With key partners, developing an employment attraction project for workers with disabilities.
- Health and wellbeing projects including mentally healthy workplaces.
- Developing leadership programs for supervisors and managers.
- Informing government policy by providing advocacy and advice.
- Promoting the successes of the manufacturing sector.
- Establishing a strategic advisory group to assist us develop our annual training plan and guide future investment.

MSQ's work will continue to be informed by its engagement with valued stakeholders as the organisation strives to build a sustainably skilled workforce that will ensure the prosperity of the Queensland manufacturing industry, now and into the future.