



Manufacturing Skills Queensland
ANNUAL REPORT
2023-24

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ABOUT THIS REPORT

This report summarises the activities of Manufacturing Skills Queensland for 2023-24 against the organisation's strategic plan, as set by the Board of Manufacturing Skills Queensland.

The report reflects MSQ's commitment to good corporate governance, transparency and accountability.

This is the company's second annual report since it was registered on 31 October 2022. The previous annual reports are available from our website: msq.org.au

OTHER LANGUAGES AND FORMATS

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MORE INFORMATION

For enquiries or more information about this report, contact Manufacturing Skills Queensland.

T: 1800 677 000 or

E: info@msq.org.au

Manufacturing Skills Queensland is an independent-body and receives funding from the Queensland Government.

ABOUT US

OUR ROLE

Manufacturing Skills Queensland (MSQ) has been established to provide training and workforce solutions that build a sustainably skilled workforce for a future-proofed manufacturing industry. We do this through the development of an Annual Training Plan on behalf of industry, that strategically directs investment to improve attraction and retention, support employers through industrial enhancement, build and improve skills of the workforce, and create diversity

We are an independent company, established by the Queensland Government under the *Making it in Queensland: Building a Stronger Manufacturing Sector* policy (2022), and funded by the Department of Employment, Small Business and Training.

MSQ values the support of the Queensland Government through the Department of Employment, Small Business and Training, and the Department of Regional Development, Manufacturing and Water, enabling the delivery of programs under our strategic plan and Annual Training Plans. We work closely with these partners to support the delivery of government policy, and initiatives designed to assist employers, and individuals participate effectively in the economy.

Led by a Chief Executive Officer, our vision as published in our strategic plan is to *create the skills pathways for the future of manufacturing in Queensland*. Our work supports the Queensland Government's \$70 million+ investment in manufacturing skills and training. Our strategic plan is aligned to the work of the Queensland Government, and actively contributes to the Queensland Workforce Strategy 2022 – 2032; the Queensland Skills Plan 2024 – 2025; the Queensland Clean Energy and Jobs plan and Queensland's manufacturing strategies.

OUR STRATEGIC PLAN

Despite the challenges of a competitive market, evolving consumer demands, and the emergence of advanced technologies and automation, Queensland's manufacturing industry remains a significant economic contributor both locally and globally. MSQ is committed to future-proofing manufacturing capability in Queensland to thrive in this challenging environment. Industry is central to our work, in our efforts to attract, retain and develop skills and capability of the workforce. Our strategic plan outlines our purpose and vision, how we will deliver on our objectives and how we measure our performance.

Our values are our guiding principles, they help us to align our actions to developing the training, skills and workforce solutions our manufacturing industry needs now and into the future. These values are:

- Collaboration
- Innovation
- Impact

Ethical behaviour and integrity underpin all that we do, we respect others' views, we act with honesty and transparency, we embrace diversity, and we listen and learn.

The MSQ strategic plan 2023–2025 is available from our website: <https://msq.org.au/about/corporate-governance/>

Our strategic plan provides a foundation and co-ordinated approach to building a diverse, highly capable and responsive workforce.

MSQ BOARD CHAIR'S MESSAGE

As I present my first annual report as Chair of MSQ, I am proud to reflect on our achievements in a year of significant growth for the manufacturing industry. In this report, I want to share with you some of the remarkable outcomes achieved by MSQ during the 2023-24 financial year.

There has never been a greater need for an organisation like MSQ. For the quarter ending June 2024 Queensland's manufacturing workforce reached an impressive 191,700 individuals. This marks a significant increase of 11,400 employees compared to the same period last year—reflective of the health of manufacturing in the state and the demand for high quality Queensland-made products. Notably, Queensland now accounts for 21.2% of the total Australian manufacturing workforce, highlighting the state's vital role in the national economy.

As the industry grows, we are seeing signals from industry of change. The availability of new technologies and processes, new consumer interests and economic growth are putting new demands on production. Labour supply continues to be one of the biggest challenges for industry. While the introduction of new technologies and automation often promises to reduce workforce pressures, the truth is that the introduction of technology requires new skills, training and workforce redesign.

To support industry, in 2023-24, MSQ delivered its first Annual Training Plan (ATP) to government. The plan represents a \$5.06 million commitment through direct investment in education and training. The plan outlines a range of programs designed to improve training and skills outcomes, support industry through transformation and improve labour supply. Following the Queensland Government's approval of the plan in June 2024, we are now ready for implementation. While the plan is ambitious, I have confidence in MSQ's ability to deliver what industry needs.

Even while the organisation prepared for its first ATP, we continued to successfully deliver a range of other programs. Through the Industry Skills Advisory program, we provided advice to Queensland Government on training and funding opportunities, and through the Industry Workforce Advisor program, we supported manufacturers through the important process of workforce planning.

In addition, this year we were pleased to commence work on our delivery of the Women in Trades Mentoring program—an important initiative, which will see an improvement in the retention of female apprentices in manufacturing. Further, through the Queensland Clean Energy and Jobs Roadmap, we started our work connecting manufacturers interested in making a clean energy transition to tools, resources and incentives.

We also saw the introduction of new policies at a federal and state level with the potential to impact on the manufacturing industry. A robust policy framework from both the Queensland Government and the Australian

Government is essential for the sustained growth and sustainability of manufacturing.

At the state level, commitments have been made through a new skills strategy to support Queenslanders to access training and gain new skills. This will enhance the industry's capacity to innovate and thrive in a competitive landscape. At a federal level we've seen the introduction of the "Made in Australia" policy which is a strong move on building sovereign capability. In addition, we've seen federal reform of vocational education and training through the delivery of workforce plans by the Jobs and Skills Councils, and new engagement mechanisms for training package design. MSQ's role in facilitating connections and feedback between employers and the workforce is vital. MSQ will continue to shape these frameworks that are practical and beneficial for manufacturers now and into the future.

In terms of our own strategic delivery, the team at MSQ has made significant progress in advancing our three-year strategic plan, as detailed in this report. Whilst receiving funding from the Queensland Government, MSQ is at its heart a small business. As many manufacturers know, the establishment of a small business, particularly within a dynamic policy environment, is a noteworthy achievement. The maturity of MSQ to date reflects the collective dedication and resilience of the team.

As we look to the next year, the Board and I have great confidence in our strategic direction and the investment outlined in the ATP. We believe these initiatives will significantly enhance our capacity to provide support, and future-proof manufacturing in Queensland.

The Board thanks Rebecca Andrews, CEO, and the entire team for their determination and talent in bringing the ATP to fruition and building on a great start for MSQ to support the Queensland manufacturing industry.

Paul Cooper
Chair of the Board
Manufacturing Skills Queensland

CEO FOREWORD

As I reflect on my first year as CEO of Manufacturing Skills Queensland, I am filled with a sense of pride and gratitude for the incredible journey we have embarked upon together. Establishing a solid foundation for our organisation has been paramount, and I am proud of the dedicated team we have built, whose commitment to excellence and collaboration has fostered a vibrant culture within MSQ.

Our accomplishments over the past year, including the successful completion of several program trials and the development of our inaugural ATP, highlight the talent and professionalism of the team at MSQ. It is truly motivating to see how our team is poised to work closely with industry and key partners to address the challenges and opportunities within the manufacturing sector.

I feel privileged to engage with employers and stakeholders who share our vision for a skilled and capable workforce in Queensland. Their commitment to training and workforce outcomes is invaluable, and I want to extend my sincere thanks for the time and resources they dedicate to this vital mission.

As we move forward, our focus remains on delivering on our strategic priorities to effectively support the manufacturing industry in Queensland. We are committed to attracting and engaging a diverse talent pool, transforming workforce capabilities, and building strong leadership within the sector. By optimising the use of the national training system, we aim to ensure that our training programs are aligned with industry needs and standards. Additionally, we recognise the importance of exploring diversity to enhance productivity and innovation in manufacturing. By embracing diverse perspectives and experiences, we can drive value not only for our industry but also for society, fostering a more inclusive and dynamic manufacturing landscape that benefits everyone. This can at times be a challenging discussion, but one I am committed to.

The ATP is the outcome of extensive consultation over a two-month period. I would like to commend the team at MSQ for this effort, as well as extending my thanks to stakeholders who offered their views. This consultation told us that while the training system was doing a good job, there are longstanding challenges, including school-to-work pathways and recognition of prior learning impacting manufacturers. If manufacturing is to thrive in Queensland, we need to explore and implement solutions to some complex and long-standing challenges. MSQ exists for this very reason.

Our ATP sets the tone for the future, and is a signal to government, industry and other stakeholders that we aren't afraid to challenge the status quo where it supports a positive outcome and impact for industry and the workforce.

I would like to thank previous and present Directors of the MSQ Board for their commitment and guidance.

We have big plans for 2024-25. Together, we are shaping a brighter future for manufacturing in Queensland, and I look forward to what we can achieve in the year to come.

Thank you for your continued support.

Rebecca Andrews
Chief Executive Officer
Manufacturing Skills Queensland

MANUFACTURING AND SKILLS MATTER TO QUEENSLAND

The significance of Queensland's manufacturing industry in today's global economy cannot be overstated. Almost everything we use in our daily lives—from the clothes we wear to the devices we rely on—has been created through the transformative process of manufacturing. As the industry adapts and grows, we need to ensure our investment in training and skills keep pace, supporting manufacturers to innovate and stay competitive.

The size of manufacturing industry in Queensland has reached its highest level since August 2021, breaking 190,000 for just the ninth time on record. More impressive, is the consistent growth within the industry. It has grown 12% in the last two years and 20% growth in the last four years, from the last data point before the impact of COVID. In comparison, industries like construction and mining have grown by 9% and 11% respectively in the last four years (ABS, Labour Force Detailed, 2024).

The increase in workforce has been largely driven by the extra 17,300 employees in primary metal and metal product, and 6,900 in machinery and equipment. The beverage product sector has seen a decrease of 3,300 employees in the last 12 months. On a four-quarter average, the manufacturing workforce in Greater Brisbane has fallen by 2,500, while the regional workforce has increased by 6,900 in comparison to the same time last year. Our strongest growth is seen in Gold Coast, Cairns and Logan Beaudesert areas.

In part, this growth can be attributed to a supportive policy environment. The Queensland Government continues to demonstrate its commitment to the manufacturing industry, through investment in skills and workforce development, with major policies including:

- the Good People. Good Jobs. Queensland Workforce Strategy 2022 – 2032
- the Queensland Skills Strategy 2024–2028
- a \$62 billion commitment under the Queensland Energy and Jobs Plan
- Queensland Advanced Manufacturing 10-Year Roadmap and Action Plan, including the Skills Implementation Plan for Advanced Manufacturing
- Women in Manufacturing Strategy
- The Ministerial Manufacturing Council, which is chaired by the Minister for Regional Development, Manufacturing and Water (RDMW)
- Hydrogen Industry Workforce Development Roadmap 2022-2032
- Jobs Queensland's Advancing Manufacturing Skills: A Skills, Training and Workforce Development Strategy for the Advanced Manufacturing Industry in Queensland.

Equally, we see commitment from the Australian Government with the introduction of the Future Made in

Australia package, designed to address the major structural and strategic challenges that the Australian economy faces. Frameworks at state and federal levels create a robust operating and strategic environment for MSQ. Key initiatives such as the *Good People. Good Jobs. Queensland Workforce Strategy 2022–2032* and the *Queensland Skills Strategy 2024–2028* provide a clear roadmap for skills and workforce development, enabling MSQ to align its programs with state priorities. By leveraging these policies, MSQ can effectively support the manufacturing industry in interpreting and implementing strategies related to workforce development, sustainability, and advanced manufacturing.

OUR BOARD

The MSQ Board is made up of an independent Chair and representatives from the government, employers, and employees of the manufacturing industry. The Board guides our strategy and ensures investment in manufacturing skills and training, through the Annual Training Plan, meets the needs of industry. Our Board is comprised of leaders across industry and government, contributing their expertise to build a future-proofed and skilled workforce for manufacturing in Queensland.

Our Board as at 30 June 2024

Table 1. Our Board as at 30 June 2024

Name	Position	
Paul Cooper	Chair of the Board	Owner and Executive Chair, Rinstrum and Chairman, Advanced Manufacturing Growth Centre Ltd
Natalene Carter	Board Director Employer representative	Director, RID Australia and Senior Executive Operations Manager, Dy-Mark
Sheree Taylor	Board Director Employer representative	Queensland Specification Manager, BlueScope Steel
Ann-Marie Allan	Board Director Employee representative	Executive Officer, Australian Manufacturing Workers' Union
Stacey Schinnerl	Board Director Employee representative	Director, SkillsEQuipped and Queensland Branch Secretary, Australian Workers' Union
Steve Koch	Board Director Government representative	Deputy Director-General, Department of Employment, Small Business and Training
Bernadette Zerba	Board Director Government representative	Deputy Director-General, Department of Regional Development, Manufacturing and Water

Board changes during 2023-24

In this reporting period we farewelled our inaugural Chair of the Board, Michael Glover, and Board Directors Jim Wilson and Des Watkins. Our outgoing Board Directors have provided critical guidance and support in our foundation year. MSQ is extremely grateful to Mr Glover, Mr Wilson, and Mr Watkins for their support in our formative period.

YEAR IN REVIEW

MSQ seeks 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 focus areas with 18 associated objectives to guide the organisation's efforts over the coming years.

FOCUS AREA 1: ATTRACT

Labour supply is one of the most pressing issues facing Queensland's manufacturing sector at present. The high number of vacancies and the escalating wages are clear indications of the growing demand for skilled workers in this industry. As employers strive to meet production targets, the competition to attract and retain qualified employees has intensified significantly. As a result, many manufacturers report difficulty finding talent. This focus area seeks to support industry through the delivery of several activities to improve attraction.

Table 2. Deliverables linked to focus area 1

FOCUS AREA	DELIVERABLE	SUCCESS
ATTRACT	Developing an attraction strategy for laterals, diverse, school, and migrant cohorts	% increase in industry participants
	Developing a campaign appealing to parents and the community	% improvement in community views on the value of manufacturing
	Maximising relationships with the Queensland Government	Bi-monthly meetings with ministers
	Partnering with the broader manufacturing ecosystem (peaks, skills bodies, Australian Made)	Delivery of a stakeholder engagement strategy
	Developing rigorous research capabilities to inform Manufacturing Skills Queensland activities	Development of quarterly industry publications
	Establishing expertise in emerging technologies (look global, act local)	Development of a knowledge framework

Connecting with diverse and young cohorts

As a result of the global pandemic, a skilled labour shortage prompted employers to look at employment strategies targeting less traditional employee types. There is an opportunity to influence systemic change, and embed some of these practices as the manufacturing industry in Queensland grows. To support employers during this period, MSQ has appointed an Industry Engagement Manager, Diversity, and an Industry Engagement Manager, Schools. These positions will lead projects that connect priority cohorts and other stakeholders with opportunities in manufacturing.

Attraction and campaigns

Employers often consider school-leavers as a valuable source of talent. Young individuals are often eager to learn, adaptable, and can be trained into the manufacturing industry. Queensland's manufacturing industry is highly regionalised. Providing strong local education and employment options for young people can reduce out-migration, which has many benefits. Despite offering a wealth of opportunity and career potential, employers report that outdated and poor perception of the industry as one of the challenges impacting recruitment efforts. During our consultation for our Annual Training Plan in February and March 2024, we heard that employers are troubled by the prevailing lack of clarity and negative perception surrounding the sector, including from young people. During the 2023-24 reporting period, MSQ undertook formal research with young people, parents and school influencers to better understand the perceptions of manufacturing. The research enabled us to test program concepts with key markets, and baseline perceptions of manufacturing.

Partnerships and engagement

Regular meetings between the CEO and government officials have strengthened MSQ's relationship with Queensland Government departments, including the Department of Employment, Small Business and Training, Department of Regional Development, Manufacturing and Water, and Trade and Investment Queensland. To support the organisation's ongoing engagement, an updated stakeholder engagement strategy was provided to the Department of Employment, Small Business and Training in November 2023. MSQ has also implemented a customer relationship management system to record key interactions with stakeholders, and further engagement across manufacturing sub-industries.

Research and insights

MSQ commissioned the Ai Group to provide an economic analysis package, and detail industry's performance. The first State of the Sector report was delivered in early 2024. This report highlights the current trends, challenges and opportunities in the Queensland manufacturing industry. MSQ will continue to deliver a State of the Sector report for industry on an annual basis. In February 2024, MSQ appointed a Data and Insights Analyst to lead research, data and insights. Since this appointment, MSQ has matured its data analysis capability, with the development of internal dashboards to track training, skills and workforce data from sources including the Australian Bureau of Statistics, National Centre for Vocational Education Research (NCVER) and state-based data sets.

FOCUS AREA 2: RETAIN

A growing concern and more frequently reported challenge for Queensland manufacturers is retention of good talent. With major projects commencing in similar industries, skilled talent is making a shift from manufacturing to another industry. This shift not only depletes the manufacturing industry of valuable skills but also hampers the potential for innovation and growth. We lead critical interactions between stakeholders, through forums and engagement activities designed to encourage and facilitate information sharing, innovation, and collaboration to build solutions that keep the current workforce engaged and support manufacturers to retain talent.

Table 3. Deliverables linked to focus area 2

FOCUS AREA	DELIVERABLE	SUCCESS
RETAIN	Benchmarking retention challenges and opportunities	Turnover/attrition rates
	Developing top-down messaging for a sustainable, inclusive, future-focused manufacturing industry	Improvement in employee satisfaction
	Amplifying manufacturing's message through community relationships	Development of a community engagement plan
	Partnering with unions, industry (Ai Group) and employers (directly)	Establishment of an industry advisory reference group
	Building a data warehouse for manufacturing industry data	Scoping building of a data warehouse, build a repository of validated data
	Shaping the development of public policy	Submissions to government policy reviews and processes

Data warehousing and benchmarking retention

MSQ takes an evidence, data-based approach to designing programs and solutions. Data is also important for government and industry to make informed workforce and training decisions. To build our data warehousing capability, in Q3 and Q4, we completed our review of the data sets available from sources including Australian Bureau of Statistics (ABS), National Centre for Vocational Education Research (NCVER), Australian Council for Educational Research (ACER), Queensland Curriculum and Assessment Authority (QCAA) and the Queensland Government. In 2024-25 work on this strategic priority will continue, formalising our data warehouse approach. This approach has enabled us to gain some visibility about entry, retention and exit to the industry. As at Q4, 7,100 people who were employed in manufacturing are unemployed 12 months later (ABS – Annual), and 3,900 people who are employed, changed jobs in the last 12 months, were in manufacturing, but are now in a different industry (ABS – Annual). In 2023, 7,000 apprenticeships or traineeships were commenced in manufacturing training packages in Queensland, and 2,295 (33%) were cancelled within one year of the contract starting (NCVER – Quarter). This information gives us the ability to baseline Queensland manufacturing as we grow, to track trends and design solutions.

Direct engagement – Industry Workforce Advisor program

MSQ is proud to deliver the Queensland Government's Industry Workforce Advisor (IWA) program for manufacturing on behalf of the Department of Employment, Small Business and Training. The IWA program engages directly with employers to offer valuable support to small and medium-sized businesses with up to 200 employees. This program provides access to free workforce planning assistance, enabling businesses to navigate the complexities of developing a workforce plan. Workforce planning is central to business strategy, and a key tool to build employee retention. Through the IWA program, MSQ has engaged with more than 88 Queensland

manufacturers to support the development of a workforce plan. Of these, 50 manufacturers have finalised a workforce plan. MSQ has also connected eligible manufacturers to the Workforce Connect Fund Human Resources Support Grant, of which 25 have been awarded. The Industry Workforce Advisor program is funded by the *Queensland Government as part of the Good people. Good jobs: Queensland Workforce Strategy 2022-2032*.

Direct engagement – Industry Skills Advisory program

Our Industry Skills Advisors engage with employers and other industry stakeholders to provide high quality, evidence-based industry advice and intelligence about current and emerging industry direction, regional skills needs, training solutions, jobs growth and employment opportunities to the Queensland Government. MSQ delivers the Industry Skills Advisory program on behalf of the Queensland Government. During the period, our Industry Skills Advisors provided advice to the Department of Employment, Small Business and Training on its annual price list review for training products funded under the User Choice program, gave advice in relation to higher level skills funding, and supported industry with the creation and management of projects funded under the VET Emerging Industries fund. The Industry Skills Advisory program is funded by the Queensland Government as part of *Skills for Queensland – Great training for quality jobs*.

Advisory and reference groups

We take a proactive approach to bring together key collaborators — small, medium, and large manufacturers, peak bodies, industry councils, experts, training organisations and government — to develop, trial, and deliver skills, training and workforce development programs to build the capability of manufacturing in Queensland. In 2023-24, we coordinated meetings of our strategic advisory group and industry reference groups across general manufacturing, engineering, food and beverage, furnishings and meat processing.

Partnering and engaging with peaks and unions

MSQ is committed to positive relationships with peak bodies and unions. We work collaboratively with peaks and unions to ensure solution design represents the interests of industry and workforce and meets high quality standards. Peaks and unions enjoy representation on our advisory and reference groups to guide discussions.

Public submissions

In the period, MSQ participated in a range of public discussions. In April 2024, MSQ made a formal submission to the Australian Government in response to their Vocational Education and Training Workforce Blueprint formal consultation. In June 2024, MSQ participated in a range of Queensland Workforce Strategy sessions to inform public policy. The organisation has also created a strategic partnership with the Manufacturing Alliance to inform ongoing training package discussions. In early 2024, MSQ supported the Queensland Government with a review of the User Choice price list, which funds the training of qualifications through an apprenticeship and traineeship model. Through the Industry Skills Advisory program, MSQ coordinated industry feedback to understand their views on continued funding for some qualifications, whether new qualifications should be considered (and why), and whether funding applied to less-in-demand qualifications could be reallocated. Following this consultation, MSQ made a submission with recommendations to the Queensland Government.

FOCUS AREA 3: DEVELOP

MSQ supports industry development by delivering targeted training programs that address specific skills gaps within the manufacturing sector. By collaborating with employers, unions, and educational institutions, MSQ ensures that training initiatives are aligned with industry needs, fostering a skilled workforce ready for future challenges.

Table 4. Deliverables linked to focus area 3

FOCUS AREA	DELIVERABLE	SUCCESS
DEVELOP	Mapping and enabling career development in the industry	Career map developed
	Establishing better transferability of recognised qualifications and skills	Number of overseas qualified workers
	Identifying strategies to help deliver on the Queensland Energy and Jobs Plan commitment for 100,000 jobs	A pilot commenced in the first six months
	Enhancing linkages between regional manufacturing hubs and industry	Establishment of a partnership agreement with manufacturing hubs
	Identifying and partnering with quality training providers	Prioritising a shortlist of suitable training providers
	Partnering with global industry leaders	Number of global experts partnered with

Career mapping

Career mapping commenced in Q4, linking occupations across all manufacturing sub-industries to VET and higher education qualifications, and school subjects. This work will continue into 2024-25 and will support delivery of programs under the ATP.

Overseas qualified workers

Transferability of recognised qualifications and skills was identified as an issue through ATP consultations. The CEO has met with Trade and Investment Queensland to discuss partnership opportunities. In 2024-25, MSQ will work with key stakeholders like Trade and Investment Queensland to further discussions and transferability of recognised qualifications and skills.

Supporting delivery of the Queensland Energy and Jobs Plan

In March 2024, MSQ commenced delivery of work under the Queensland Energy and Jobs Plan. In April 2024, MSQ appointed an Industry Engagement Manager, Renewables, to support industries clean energy transition, and connect manufacturers to support and renewables manufacturing opportunities. The Industry Engagement Manager, Renewables will also lead the implementation of the organisation's supply chain and skills mapping platform with expected completion for phase one in Q1, 2024-25.

RDMW Regional Manufacturing Hubs

MSQ continues to build its relationship with manufacturing hubs – currently MSQ meets with manufacturing hubs each month to share opportunities, data, research and information and program updates. The manufacturing hubs have participated in several ATP consultations and support the delivery of our strategy by connecting employers with key initiatives.

FOCUS AREA 4: SUSTAINABILITY

A key focus for the organisation is sustainability. MSQ is actively collaborating with the Queensland Government to explore sustainability for the organisation. By focusing on sustainability, MSQ is helping to create a resilient manufacturing workforce that can effectively respond to environmental challenges and economic opportunities.

Table 5. Deliverables linked to focus area 4

FOCUS AREA	DELIVERABLE	SUCCESS
SUSTAINABILITY	Ensure the sustainability of the organisation into the future	Options for sustainability

Sustainability

MSQ was established in November 2022 as an independent, not-for-profit industry body, funded by the Queensland Government under the *Making it in Queensland: Building a Stronger Manufacturing Sector* policy. The Queensland Government committed \$16.5 million to support MSQ's mission to build a sustainably skilled workforce for the manufacturing industry. MSQ is actively collaborating with the Queensland Government to consider viable opportunities for sustainability and is exploring additional revenue streams.

A TRAINING PLAN FOR THE MANUFACTURING INDUSTRY

MSQ is committed to implementing targeted investments and training programs that enhance the skills and qualifications of the current and future workforce. In 2023-24 MSQ developed its inaugural Annual Training Plan (ATP) for the manufacturing industry. This was submitted to and approved by the Department of Employment, Small Business and Training within the reporting period 2023-24.

To design the plan, we undertook extensive consultation which included hearing from Queensland employers, peaks, unions, schools, training and higher education organisations, young people, and parents of young people. Across February and March 2024, we heard from more than 300 stakeholders during a period of open consultation, in face-to-face and online forums, through surveys and submissions—across metropolitan and regional Queensland.

This ATP represents a planned investment of \$5.06 million in Queensland's manufacturing industry. It is a first of its kind, and an important signal to manufacturers about the vital role they play in our economy and the significance of training to support growth, innovation and competition. The investment has been designed to support industry across four focus areas:

1. Attraction and engagement
2. The future of trades, transformation and leadership
3. Training and skills
4. Diversity in manufacturing.

Our plan highlights 19 important programs across these priority investment areas. Together, these programs aim to address some of the key issues industry has shared with us during consultation, including promotion of manufacturing as an industry; job pathways challenges; current training and accreditation pathways; and suitability of talent. MSQ is now actively focused on the implementation phase of this ATP, and over the next 12 months, we will be rolling out the strategies identified in the plan. Ultimately, the ATP will serve as a roadmap for building a sustainably skilled workforce, equipping individuals with the necessary tools to meet the demands of modern manufacturing.

GROWING AND EXPANDING A STARTUP

Since its inception in 2022, MSQ has experienced significant growth, transitioning from start-up to small business. This growth is underpinned by the implementation of essential core business systems and foundational materials, including business plan, industry engagement framework, and policy framework. During this period, we've focused on the establishment and evolution of core business systems vital for our ongoing and effective operations. These systems, including human resources and payroll, financial management software, document management, intranet and project management facilitate effective and responsible resource allocation, financial information management, communication, project management and more, which are crucial to meet our objectives.

BUILDING A TEAM

MSQ has prioritised expanding its team to effectively address the needs of the manufacturing industry, ensuring our ability to deliver against our strategic plan. This includes hiring skilled professionals with competencies across business disciplines and specialist vocational education and training and tertiary education knowledge. Since July 2023, our team has grown to 15.5 FTE. This growth has enabled us to focus on governance and leadership, training solution design, data and insights analysis, industry engagement across critical areas including diversity, renewables and schools.

MSQ recognises that workplace culture is an incredibly important part of an individual's success at work, and the success of the overall organisation. MSQ has implemented Team Vibe Days to actively build our culture. In 2023-24, the team participated in two Team Vibe Days, providing an opportunity to connect employees with the organisation's strategy and purpose, build working relationships, and strengthen communication. In addition, following the first Team Vibe Day, and as an action from the team, MSQ has implemented Strategy and Reflection sessions which are held every month to track major strategic updates, and celebrate organisational wins and success.

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 is paid across the three-year term.

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 are being pursued to secure future funding opportunities. MSQ holds additional contracts that align with its function and strategy, including the Industry Workforce Advisor Program, Industry Skills Advisory Program, Women In Trades Mentoring Program, Renewables Resources Officer, and grant agreement to support the development of a supply chain portal.

In years 2022-23 and 2023-24, the organisation's expenditure reflected a focus on start-up and establishment in preparation for the ATP delivery – this is evident through the organisation's financial statements. In 2024-25, our focus turns to the implementation of training, skills and workforce development initiatives.

MSQ's financial position is reported to the Board and Department of Employment, Small Business and Training via financial statements, to ensure expenditure is in line with the agreed cost model. MSQ remains financially viable in accordance with the original business case and Funding Agreement.

CORPORATE GOVERNANCE

MSQ is an independent body established and funded under the Queensland Government's *Making it in Queensland: Building a Stronger Manufacturing Sector* policy in November 2022. Our work supports the Queensland Government's \$70 million investment in manufacturing skills and training. The MSQ Board guides the organisation's strategy and ensures investment in manufacturing skills and training through the ATP meets the needs of industry.

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

- Minister for Employment and Small Business and Minister for Training and Skills Development
- Minister for Regional Development and Manufacturing and Minister for Water.

The MSQ constitution outlines our objectives as an organisation. These objectives guide the development of our strategic and business planning documents, and how we develop our ATP.

- 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 industry 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

- 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.

Our strategic plan, engagement strategy and business plan are prepared and submitted by the Board each year for the approval of our Members. In addition, MSQ is required to submit an ATP to the Department of Employment, Small Business and Training by 30 April each year and provide quarterly reports including financial statements.

Our governance framework is designed to ensure accountability, transparency, and effectiveness in all our endeavours. We are committed to upholding the highest standards of governance, empowering stakeholders with the information they need to understand our decision-making processes and strategic direction.

AUDIT

The external audit function of MSQ is performed by the Queensland Audit Office (QAO). MSQ works with the QAO to undertake annual audits against an agreed scope and set of priority focus areas. Recommendations from completed audits are provided to the Audit and Risk Committee, and Executive Leadership Team for implementation.

COMMITTEES

Audit and Risk Committee

The Audit and Risk Committee provides advice and assistance to the MSQ Board on financial and performance reporting responsibilities, budgets, risk oversight and management, and systems of internal control.

MSQ's Audit and Risk 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*.

ADDITIONAL ADVISORY AND INDUSTRY COMMITTEES

Strategic Advisory Group

The Strategic Advisory Group was established in September 2023 to provide advice and insights on current challenges and opportunities within Queensland's manufacturing industry to the CEO. The group will work to identify common issues and provide advice to support MSQ in developing comprehensive solutions that benefit the entire manufacturing ecosystem. The group will deliver advice addressing:

- short-term and long-term initiatives that address workforce challenges
- short-term and long-term training and skills solutions and concepts for existing workers to support the introduction of rapidly changing technologies
- activities designed to attract and retain workers into the industry
- strategies that may increase workforce participation and diversity within the sector
- current and emerging trends that may impact the make-up of skills in the sector.

The Strategic Advisory Group provides advice to MSQ on the design, development and implementation of an ATP for the manufacturing industry. The Strategic Advisory Group is chaired by MSQ's CEO. The group met five times during the 2023-24 period.

Industry Reference Groups

Hearing directly from industry is important. During the 2023-24 period, MSQ facilitated Industry Reference Groups across five broad areas of the manufacturing industry—general manufacturing, engineering, food and beverage, furnishings and meat processing. Industry Reference Groups meet quarterly (virtually) and include representatives from manufacturers and key stakeholders from all the regions of Queensland. Agendas are set in advance, and topics include skilling requirements and initiatives, training package updates, review and recommendations of funding allocation and importantly focus on quality training delivery. Each Industry Reference Group met four times during the 2023-24 period.

EXECUTIVE LEADERSHIP TEAM

The MSQ Executive Leadership Team is led by the CEO and is responsible for implementing MSQ's strategy and day-to-day operations. The team met regularly in 2023-24 to discuss and approve a range of strategic and operational matters, with the purpose of achieving the objectives set out in the organisation's strategic and operational plans.

LOOKING AHEAD

The pandemic has reset our appreciation of what our local manufacturers have to offer. There's a much stronger recognition of, and value placed on, the importance of our domestic manufacturing capability. There is a promising future for Queensland manufacturing, but it requires us to take strategic, considered, and collaborative action now, to support the workforce.

Queensland is experiencing significant growth in engineering construction activity, with a robust pipeline of major projects expected to positively impact manufacturers. This growth is largely driven by investments in renewables, mining, construction and heavy industry projects. This presents major opportunities for Queensland manufacturers:

- **Increased demand for local suppliers:** As major projects in Queensland progress, there will be heightened demand for local manufacturing capabilities, providing opportunities for manufacturers to supply goods and services.
- **Collaboration and partnerships:** Manufacturers can engage in partnerships with contractors and project developers, fostering collaboration that can lead to innovation and improved efficiencies.
- **Skills development:** The influx of projects creates a need for skilled labour, allowing manufacturers to invest in workforce training and development, which can enhance their competitive edge.
- **Sustainability initiatives:** Many projects are likely to incorporate sustainability practices, offering manufacturers the chance to develop and supply sustainable products and solutions.

In 2023, the chain volume measure (CVM) for Queensland manufacturing was \$24.4 billion. If the manufacturing workforce in Queensland remains the same size and works at a similar productivity as it has over the last 12 years, the CVM can expect to be \$24.6 billion in 2033. Our modelling shows that if there is natural progression over the next decade (or status quo), the CVM could reach \$27.5 billion. This is an estimate that assumes a natural level of increased productivity and small fluctuations in workforce size (similar to the last 12 years), along with a level of state and federal funding, impact of the Brisbane 2032 Olympic and Paralympic Games and

for economic cycles. Similarly, our modelling shows that if we can support industry to fill an additional 1,000 jobs per year, we can add 0.5% to the CVM or an average of \$132.5 million per year. Through continued support of MSQ, and our ongoing investment in the skills of the manufacturing workforce, we can dramatically improve manufacturing productivity and Queensland's economic position to 2032.

With this growth in mind, MSQ is excited to implement its first ATP to understand our impact. Our 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.