Manufacturing Skills Queensland Limited

ABN 89 663 505 191

Financial Statements
For the year ended 30 June 2026

Manufacturing Skills Queensland Limited
Contents SENSITIVE
For the year ended 30 June 2026

Directors' Report	2
Auditor's Independence Declaration	7
Statement of Profit or Loss and Other Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Financial Statements	12
Directors' Declaration	26
Independent Auditor's Report	27

Manufacturing Skills Queensland Limited
Directors' Report
SENSITIVE
For the year ended 30 June 2026

The directors present their report, together with the financial statements, on the Manufacturing Skills Queensland Ltd for the year ended 30 June 2026.

Directors
The following persons were directors of Manufacturing Skills Queensland (MSQ) Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

April Cavanagh (Chair)	(Appointed: 24 March 2025)
Jacob Gundry	(Appointed: 24 March 2025)
Fiona McDonnell	(Appointed: 24 March 2025)
Natalie Rogers	(Appointed: 24 March 2025)
Jason Kidd	(Appointed: 24 March 2025)
Chantal Llora	(Appointed: 24 March 2025)
Richard Flanagan	(Appointed: 29 August 2025)

All directors are non-executive directors.

April Cavanagh (Chair - current)
April Cavanagh was appointed Chair of Manufacturing Skills Queensland in March 2025, bringing extensive governance, executive leadership and commercial experience across manufacturing, financial services, agriculture and regional economic development. She also serves as a Director of Queensland Rugby Union, Cotton Australia and Toowoomba and Surat Basin Enterprise (TSBE), where she previously served as Chair and Interim CEO. Her executive career includes senior leadership roles with Suncorp Group and Westpac across Queensland and New South Wales, together with international experience in the United Kingdom.
April is a Graduate of the Australian Institute of Company Directors and holds qualifications from the University of Sydney, University of Queensland and Melbourne Business School. She brings particular experience in strategy, governance, financial management, stakeholder engagement and organisational transformation, with a strong focus on regional Australia

Jacob Gundry
Jacob Gundry has successfully shaped Australian Framing Solutions (AFS) to become the largest manufacturer of light gauge steel frames in Southeast Queensland. He leads a talented executive team who have together built a stable, values-based business capable of delivering framing solutions of unparalleled scale and complexity. AFS design, engineering, manufacturing, and installation processes can achieve more large-scale projects simultaneously than any other company in the country. With over two decades of specialisation, Jacob has led some of the largest projects in Australia.

Fiona McDonnell
Fiona McDonnell is the Group Health, Safety and Environment (HSE) Manager at Hyne Group, where she has worked for over 12 years across progressive leadership roles in health, safety, and environmental management. Since March 2023, she has served in her current position, following her previous roles as HSE Services Manager and Work Health and Safety (WHS) Project Manager based in Maryborough, Queensland. Beyond her core responsibilities at Hyne Timber, Fiona demonstrates significant industry leadership as a Director at Manufacturing Skills Queensland and Chair of the Australian Forest Products Association Softwood Manufacturing Chamber WHS Subcommittee. Her commitment to industry advancement is further evidenced by her long-standing committee memberships, including six years with the Manufacturing Industry Sector Standing Committee in Queensland.

Natalie Rogers
Natalie Rogers is the Group Operations Manager at All Industries Group, a leading locally owned manufacturing company in Central Queensland. Since joining All Industries in 2020, she has been instrumental in driving operational excellence and positioning the business as a leader in the advanced manufacturing sector.
With a strong background in process optimisation, systems improvement, and strategic operations, Natalie has delivered initiatives that have improved efficiency, productivity, and business growth. Her leadership focuses on aligning day-to-day operations with long-term strategic goals, ensuring the company remains competitive and innovative in a fast-evolving industry.
Passionate about workforce development, Natalie has created programs to foster leadership, upskill employees, and promote career pathways within manufacturing. As a woman in a traditionally male-dominated industry, she is committed to supporting diversity and building the next generation of skilled professionals.
Natalie brings to the Manufacturing Skills Queensland Board a wealth of practical industry knowledge, proven leadership experience, and a strong commitment to advancing Queensland's manufacturing workforce and capability.

Jason Kidd
Jason is the Deputy Director-General for Manufacturing and Regional and Rural Development within the Department of Natural Resources and Mines, Manufacturing and Regional and Rural Development. Jason has qualifications in both law and social work and over 25 years' experience in the public service. This includes community-based service delivery, program development, project and grants management, statutory oversight and strategic policy and legislation positions. Jason has experience with leading significant reforms agendas in collaboration with key non-government partners, with a strong commitment to working with communities to drive place-based development opportunities and responsive government that meets community needs.

Chantal Llora
Chantal Llora serves as the Deputy Director-General, Delivery and Partnerships at the Department of Trade, Employment and Training, a position she has held since February 2023. With over two decades of public service experience, Chantal's career has been defined by impactful roles across strategic communication, stakeholder engagement, and policy development, serving in senior capacities within central and economic agencies in both the Queensland State Government and Commonwealth Government. Her current governance responsibilities include concurrent Board Director roles for both Manufacturing Skills Queensland and the Building and Construction Industry Training Fund (trading as Construction Skills Queensland).
Chantal holds a Bachelor of Journalism and a Bachelor of Criminology.

Richard Flanagan
Richard Flanagan is a veteran electrical engineering professional and industry leader with over 50 years of experience. Founder of Richard Flanagan and Company Electrical Engineers and Contractors (RFC), he has led major infrastructure and commercial projects including for Warner Bros. Movie World, multiple correctional centres, hospitals, and water treatment facilities, while directly training over 300 apprentices. Richard's passion for workforce development is demonstrated by his 18 years teaching electrical contracting at the Gold Coast Institute of TAFE (GCIT) and his tenure on the institute's council and inaugural statutory board, where he played a key role in shaping strategic direction for vocational education and training delivery in the region. Beyond his business, Richard has held leadership roles in key industry bodies, including chairing the Electrical Safety Board and serving six years on the Energy Super board, where he was Chairman and led a major merger. Committed to advancing manufacturing skills in Queensland, Richard brings deep expertise in training, industry collaboration, and workforce development.

Company secretary
Kris McCue (Company Secretary- former)
Kris held the role of Company Secretary until 21 October 2025. Kris is a senior executive with over 20 years' experience as a General Manager, independent consultant, CEO and Board Director driving growth, transformation, and commercial outcomes across the private, public, and community sectors in Queensland, New South Wales, and the Northern Territory.

Rob Sewell (Company Secretary)
Rob holds the role of Company Secretary from 22 October 2025. Rob brings more than 19 years of finance and governance experience across New Zealand and Australia, with expertise in governance, compliance, financial management and audit.

Objectives
MSQ's long-term objective is for Queensland manufacturing to thrive with a skilled, adaptive workforce. This includes translating industry needs into coordinated training solutions, so that every manufacturer can access the talent they require, and the sector is a powerful driver of economic prosperity and innovation.

MSQ's short-term objectives are to:
Implement its Annual Training Plan, which contains programs across four focus areas: attraction and engagement, transformation and leadership, skills and training, and diversity in manufacturing.

Operate the Manufacturing Centre of Excellence, providing an industry-best practice facility where training organisations and stakeholders collaborate with manufacturers to deliver contemporary skills for the Wide Bay Burnett and surrounding regions' manufacturing sector.

Strategy for achieving the objectives
MSQ's Board has established a strategic plan with key focus areas and deliverables that guide the day-to-day operations of the organisation.

Industry is at the heart of everything we do. We design and deliver our Annual Training Plans and programs through deep engagement with manufacturers and stakeholders across the skills ecosystem. Working with research and data collection agencies, we ensure our solutions are grounded in evidence and responsive to real industry needs.

As part of our commitment to government and the manufacturing sector, MSQ delivers an annual training plan that directs investment where it matters most. We work closely with government to align our initiatives with broader skills and manufacturing strategies, and actively support workforce development across the industry.

While we continue collaborating with government on a sustainable operating model, we are also diversifying our revenue streams to strengthen MSQ's long-term viability. Our commitment is to operate as a lean, well-governed and financially resilient organisation that delivers maximum value to industry.

The manufacturing sector in Queensland continues to grow, and strategic investment in training and workforce capability will enable manufacturers to maintain momentum and optimise their economic contribution.

MSQ thanks our employers, industry peaks, unions, training organisations, schools, universities and government partners for their ongoing support and engagement. Your collaboration helps shape programs and services that truly serve the needs of Queensland manufacturing.

Principal activities
During the financial year, the principal activities for the organisation aligned with the company objectives, including engagement with industry and other stakeholders, provision of expert information to the state about the national and state-based skills framework, workforce planning, connecting employers and stakeholders with government funding and incentives, promoting careers in manufacturing, funding the delivery of training, establishment and operation of the Manufacturing Centre of Excellence at Maryborough, and development of our annual training plan.

Performance measures
MSQ measures its performance through delivery of initiatives outlined in the Annual Training Plan and contractual KPIs. Key performance measures include revenue generated from co-contributions, participant numbers, customer satisfaction, school and industry engagement, and uptake of products and services by manufacturers. Our strategic plan guides the organisation's overarching strategy, with success measures including establishment of core systems and processes, stakeholder engagement targets, and broader industry impact indicators.

Review of operations
The profit (loss) of the company for the year amounted to $508,352 (2025: $2,118,250) which resulted from the receipt of funding in periodic instalments to fund future expenditure.

Dividends
No dividends were paid or provided for during the financial year.

Significant changes of state of affairs
Significant changes during the financial year included the resignation of Chief Executive Officer Rebecca Massingham, adoption of a new constitution, approval of a new strategic plan, commencement of a lease at 73 Nagel Street, Oakhurst, Maryborough for the Manufacturing Centre of Excellence, and acquisition of manufacturing assets to enhance training service delivery capabilities from the Centre.

Events since the end of the financial year
After 30 June 2026, Kris McCue was appointed as Chief Executive Officer of the company.
There have been no events since the end of the financial year which would significantly or could significantly affect the operations of the company, or the state of affairs of the company in future financial years.

Likely development and expected results of operations
The Queensland Government has committed $24.5 million in funding over five years (FY 2022-23 to FY 2026-27) to support the company's principal activities.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2026, and the number of meetings attended by each director were:

	Full Meetings of Directors		Audit and Risk Management Committee	
Directors	**Attended**	**Held (during Tenure)**	**Attended**	**Held (during Tenure)**
April Cavanagh - Chair	6	7	2	4
Jacob Gundry	6	7	2	4
Fiona McDonnell	7	7	3	4
Natalie Rogers	6	7		
Jason Kidd	6	7		
Chantal Llora	5	7	4	4
Richard Flanagan	3	3		

Directors' remuneration
Directors' remuneration is disclosed in the section on Key Management Personnel, note 12 of the financial statements.

Shares under option
No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001*.

Indemnity and insurance of officer
The board of directors has resolved to enter a deed of access, insurance and indemnity with each of the relevant directors and officers. The deed indemnifies officers in respect of liability incurred whilst acting for MSQ. The indemnity does not extend to include all claims brought or prosecuted by officers.

The company may assume conduct of relevant claims and is obligated to maintain insurance.

During the financial year insurance premiums to ensure the directors and officers of the company were paid. Further disclosure of the details of the policy, including the nature of the liability covered or the premium paid, is prohibited by the terms of the contract.

Contributions on winding up
In the event of the company being wound up, ordinary members are required to contribute a maximum of $10 each.

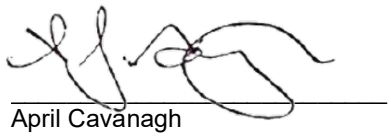
The total amount that members of the company are liable to contribute if the company is wound up is $20 based on 2 current ordinary members.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 7.

Rounding of amounts
The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183, issued by the Australian Securities and Investments Commission, relating to the 'rounding-off' of amounts in the directors' report. Amounts in this report have been rounded off in accordance with that instrument to the nearest dollar.

This report is signed in accordance with a resolution of the board of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors



April Cavanagh
Chair

23 September 2026

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Manufacturing Skills Queensland Limited

This auditor's independence declaration has been provided pursuant to s. 307C of the *Corporations Act 2001.*

Independence declaration

As lead auditor for the audit of Manufacturing Skills Queensland Limited for the financial year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit

(b) no contraventions of any applicable code of professional conduct in relation to the audit.



23 September 2026

Bhavik Deoji
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Manufacturing Skills Queensland Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2026

SIGNATIVE

	Note	2026 $	2025 $
Revenue and Other Income			
Revenue and Other Income	2	8,562,036	8,491,246
Total Revenue and Other Income		**8,562,036**	**8,491,246**
Expenses			
Employee expenses	3	3,367,998	2,923,845
Supplies and services	4	4,241,587	3,212,012
Depreciation and amortisation		227,720	104,148
Finance costs		37,277	5,982
Other expenses		179,101	127,009
Total expenses		**8,053,684**	**6,372,996**
Profit for the year attributable to the Members of Manufacturing Skills Queensland Limited		**508,352**	**2,118,250**
Other comprehensive income for the year		-	-
Total comprehensive income for the year attributable to the Members of Manufacturing Skills Queensland Limited		**508,352**	**2,118,250**

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Manufacturing Skills Queensland Limited
Statement of Financial Position SENSITIVE
As at 30 June 2026

	Note	2026 $	2025 $
Assets			
Current assets			
Cash and cash equivalents	5	8,149,509	8,936,715
Receivables		121,726	129,464
Other current assets		144,359	79,928
Total current assets		**8,415,594**	**9,146,107**
Non-current assets			
Plant and equipment	6	1,098,038	-
Right of Use Asset	7	1,056,032	294,764
Lease Deposit		35,000	35,000
Total non-current assets		**2,189,071**	**329,764**
Total assets		**10,604,665**	**9,475,871**
Liabilities			
Current liabilities			
Payables	8	414,463	671,868
Employee benefits		101,421	93,167
Lease liabilities	7	176,841	103,877
Other Current Liabilities		80,000	-
Total current liabilities		**772,724**	**868,912**
Non-current liabilities			
Employee benefits		5,500	4,874
Lease liabilities	7	908,823	192,819
Total non-current liabilities		**914,323**	**197,693**
Total liabilities		**1,687,047**	**1,066,605**
Net assets		**8,917,618**	**8,409,266**
Equity			
Accumulated surplus		8,917,618	8,409,266
Total equity		**8,917,618**	**8,409,266**

The above statement of financial position should be read in conjunction with the accompanying notes

Manufacturing Skills Queensland Limited
Statement of Changes in Equity
SENSITIVE
For the year ended 30 June 2026

	Accumulated surplus $	Total $
Balance at 30 June 2024	**6,291,016**	**6,291,016**
Profit for the year	2,118,250	2,118,250
Balance at 30 June 2025	**8,409,266**	**8,409,266**
Profit for the year	508,352	508,352
Balance at 30 June 2026	**8,917,618**	**8,917,618**

The above statement of changes in equity should be read in conjunction with the accompanying notes

Manufacturing Skills Queensland Limited
Statement of Cash Flows
SENSITIVE
For the year ended 30 June 2026

	Note	2026 $	2025 $
Cash flows from operating activities			
Grants and contributions		8,277,835	8,181,154
Proceeds from interest received		284,001	334,001
GST received from customers		834,885	812,595
Payments to suppliers and employees		(8,176,139)	(6,006,415)
GST paid to suppliers		(521,981)	(330,680)
GST refunded from ATO		543,881	294,985
GST paid to ATO		(694,353)	(920,259)
Net cash provided by operating activities	9	**548,129**	**2,365,381**
Cash flows from Investing activities			
Purchase of Plant and equipment		(1,158,916)	-
Net cash used in Investing activities	6	**(1,158,916)**	**-**
Cash flows from financing activities			
Repayment of lease liabilities		(176,419)	(107,762)
Net cash used in financing activities	**7**	**(176,419)**	**(107,762)**
Net increase/(Decrease) in cash and cash equivalents		**(787,206)**	**2,257,619**
Cash and cash equivalents at the beginning of the financial year		8,936,715	6,679,096
Cash and cash equivalents at the end of the financial year	5	**8,149,509**	**8,936,715**

The above statement of cash flows should be read in conjunction with the accompanying notes

Manufacturing Skills Queensland Limited
Content of the Notes to the Financial Statements
For the year ended 30 June 2026

1 Basis of preparation	13
2 Revenue and other income	16
3 Employee expenses	16
4 Supplies and services	17
5 Cash and cash equivalents	18
6 Plant and equipment	18
7 Leases	19
8 Payables	20
9 Reconciliation of profit/(loss) from net cash flow from operating activities	20
10 Remuneration of auditors	20
11 Financial instruments	21
12 Key management personnel & remuneration	23
13 Related party transactions	25
14 Contingent liabilities	25
15 Events after balance date	25
16 Commitments	25

1. Basis of preparation

(a) General Information

Manufacturing Skills Queensland Ltd "the company" is an unlisted company limited by guarantee and incorporated and domiciled in Australia. The company is a not-for-profit entity for the purpose of preparing the financial statements.
The address of the registered office and principal place of business is Suite 2, Ground Level, 87 Wickham Terrace, Spring Hill, Queensland.

(b) Compliance with prescribed requirements

The financial statements are general purpose financial statements which have been prepared in accordance with the requirements of the Australian Accounting Standards and interpretations issued by the Australian Accounting 'Standards Board (AASB) and the *Corporations Act 2001*.

(c) Basis of accounting

These general purpose financial statements are prepared on an accrual basis (except for the statement of cash flow which is prepared on a cash basis).

(d) Presentation

(i) Historical cost convention

The historical cost convention is used unless otherwise stated.

(ii) Currency

The financial statements are presented in Australian dollars, with all amounts in the financial report being rounded off in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183 to the nearest dollar, unless otherwise indicated.

(iii) Comparatives

Comparatives are for the year ended 30 June 2025.

(iv) Current and Non-Current

Assets and liabilities are classified as either ‘current’ or ‘non-current’ in the Statement of Financial Position and associated notes.

Assets are classified as ‘current’ where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as ‘current’ when they are due to be settled within 12 months after the reporting date, or the company does not have a right to defer settlement to beyond 12 months after the reporting date.

All other assets and liabilities are classified as non-current.

(e) Going concern

The financial statements have been prepared on a going concern basis. The Board considers the going concern basis to be appropriate as there is a reasonable expectation that the company will be able to pay its debts as and when they fall due.

Further, it is expected that the company will remain a going concern for at least 12 months from the signing of the financial statements.

1. Basis of preparation (continued)

(f) Income Tax Equivalents
No provision for income tax has been raised as the entity is a State Body as defined under the *Income Tax Assessment Act 1936* and exempt from income tax.

(g) GST
GST receivable from, and GST payable to the ATO are recognised as the net in either payables or receivables.

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the ATO. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

GST cash flows have been identified separately in the Statement of Cash Flows. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority are presented as operating cashflows.

(h) Other accounting policies
Material accounting policies that summarise the measurement basis used and are relevant to understanding of the financial statements are provided throughout the notes to the financial statements.

Property, plant and equipment accounting policies are disclosed in Note 6.

(i) Critical accounting estimates and judgements
The preparation of financial statements requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated for factors such as expectations of future events that may have financial impact on the company and are believed to be reasonable under the circumstances.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in the notes to which they relate.

(j) Authorisation of financial statements for issue
The financial statements were authorised for issue by the Directors on 23 September 2026.

(k) New or amended accounting standards and interpretations adopted
The company has adopted all of the new or amended accounting standards and interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

1. Basis of preparation (continued)

(l) New accounting standards and interpretations not yet mandatory or early adopted
Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for the 30 June 2026 reporting year and have not been early adopted by the company. These standards, amendments and interpretations are not expected to have a material impact on the company's current or future financial statements.

Reference	Nature of change	Impact on initial application
AASB 18 *Presentation and Disclosure in Financial Statements*	AASB 18 replaces AASB 101 *Presentation of Financial Statements* and introduces new requirements for the presentation and disclosure of information in financial statements, including new subtotals in the Statement of Profit or Loss and additional disclosure requirements relating to management-defined performance measures.	The standard is effective for annual reporting periods beginning on or after 1 January 2028. The company is assessing the impact of the new standard but does not currently expect its adoption to have a material impact on the financial position or financial performance of the company.

2. Revenue and other income

	2026 $	2025 $
Grants and other contributions	8,277,450	8,125,952
Interest Received	284,586	365,294
Total	**8,562,036**	**8,491,246**

Where the grant agreement is enforceable and contains sufficiently specific performance obligations (e.g. transferring goods or services), the grant is accounted for under AASB 15 *Revenue from Contracts with Customers.* In this case, revenue is initially deferred as unearned revenue (contract liability) and recognised as or when the performance obligations are satisfied.

Otherwise, the grant or other contributions is accounted for under AASB 1058 *Income of Not-for-Profit Entities,* whereby revenue is recognised upon receipt of the grant funding.

The company has reviewed its relevant funding agreements and concluded that it did not receive any specific grants and other contributions which contained sufficiently specific performance obligations this financial year. Accordingly, grant funding has been recorded as income when received.

3. Employee expenses

	2026 $	2025 $
Employee benefits		
Wages and salaries	2,458,403	2,226,885
Sick leave expenses	56,807	50,988
Annual leave expenses	153,240	173,656
Long service leave expenses	625	4,873
Employer superannuation contributions	329,772	290,426
Termination expenses	156,675	-
Allowances	11,327	7,500
Directors' and committee fees	32,748	35,688
Total	**3,199,596**	**2,790,016**
Employee related expenses		
Workers' compensation premiums	28,881	18,416
Payroll tax	101,522	81,418
Fringe Benefits Tax	13,384	18,370
Other	24,616	15,625
Total	**168,402**	**133,829**
Total	**3,367,998**	**2,923,845**

The number of employees including both full-time employees and part-time employees measured on a full-time equivalent basis is:

	2026	2025
Manufacturing Skills Queensland Employees	**20.0**	**18.5**

3. Employee expenses (continued)

Wages and salaries
Wages and salaries are recognised in the reporting year in which the employees rendered the related service. Wages and salaries due but unpaid at reporting date are recognised in the statement of Financial Position at the current salary rates.

Sick leave
Sick leave entitlements are non-vesting and are only paid upon valid claims for sick leave by employees. Sick leave expense is expensed in the reporting year in which the leave is taken by the employee.

Annual leave expenses
Liabilities for annual leave due but unpaid at the reporting date are recognised as a liability at the remuneration rates expected to apply at the time of settlement.

Consideration is given to expected future wage levels and experience of employee departures and terms of service. Expected future payments are discounted using market yields with terms and currencies that match as closely as possible the estimated future cash outflows.

Employer superannuation contributions
Contributions are made to eligible complying superannuation funds based on the rates specified in the conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.

Employee benefits
Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method.

4. Supplies and services

	2026 $	2025 $
Contractors	2,770,060	1,890,396
Legal fees	104,705	76,106
Branding, marketing, events	370,981	431,839
Telecommunications & ICT	259,729	403,369
Occupancy costs	136,386	51,834
Travel	141,391	85,325
Other supplies and consumables	458,334	273,143
Total	**4,241,587**	**3,212,012**

Supplies and services are recognised when goods have been received or services provided.

5. Cash and cash equivalents

	2026 $	2025 $
Cash at bank	8,149,509	8,936,715
Total	**8,149,509**	**8,936,715**

Cash and cash equivalents comprise deposits held at financial institutions that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

6. Plant and Equipment

	2026 $	2025 $
Plant and Equipment at cost	1,158,916	-
Less Accumulated Depreciation	(60,877)	-
Total	**1,098,038**	**-**

Reconciliation of carrying amounts	2026 $	2025 $
Opening Balance	-	-
Additions at cost	1,158,916	-
Depreciation expense	(60,877)	-
Disposals	-	-
Total	**1,098,038**	**-**

Plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

During the year ended 30 June 2026, the company adopted a Fixed Asset Management Policy to support the management and accounting treatment of Centre of Excellence assets. Assets are capitalised where the individual asset cost is $2,000 or greater (GST exclusive) and the asset has an expected useful life exceeding one year. Capitalised assets include manufacturing, training and specialist equipment, machinery, infrastructure, furniture and specialised ICT assets associated with Centre of Excellence operations. These assets are recognised as plant and equipment and depreciated over their estimated useful lives. Assets not meeting the capitalisation threshold are expensed as incurred.

Depreciation is calculated on a straight-line basis to allocate the cost of assets, less any estimated residual value, over their estimated useful lives. Straight-line depreciation is used as this is considered consistent with the consumption of the service potential of these assets over their useful lives. Depreciation commences from the date the asset is available for use.

Key estimates: Useful lives for categories of plant and equipment are:

Category	Useful Life
Welding and fabrication equipment	5–10 years
Fitting and machining equipment	10–20 years
Furniture and equipment	3–10 years
ICT infrastructure and specialised equipment	3–5 years
Other equipment	3–5 years

The carrying amounts of plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that their carrying value may not be recoverable. Any impairment loss is recognised immediately in profit or loss.

7. Leases

Right-of-use Assets

	2026 $	2025 $
Buildings		
Opening Balance	294,764	182,259
Additions at cost	928,111	216,653
Disposals	-	-
Less: Amortisation	(166,834)	(104,148)
Closing Balance	**1,056,032**	**294,764**

During the year, the company entered into a new lease arrangement in Maryborough to support the establishment of the Centre of Excellence, resulting in additional right-of-use assets and lease liabilities being recognised**.**

Lease Liabilities

	2026 $	2025 $
Buildings		
Current	176,841	103,877
Non-current	908,823	192,819
Total	**1,085,665**	**296,696**
Interest expense	37,277	5,982

The company enters into lease arrangements as required to support its operations. Under *AASB 16 Leases,* leases are recognised by recording a right-of-use asset and a corresponding lease liability in the Statement of Financial Position.

At the inception of a contract, the company assesses whether the contract is, or contains, a lease. A contract contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee, the company:

- recognises a right-of-use asset and lease liability at the commencement date of the lease;
- measures lease liabilities at the present value of future lease payments using the company's incremental borrowing rate;
- includes lease incentives in the measurement of the right-of-use asset and lease liability; and
- separately presents the principal and interest components of lease payments in the Statement of Cash Flows.

Right-of-use assets are depreciated over the lease term, including any extension periods that are reasonably certain to be exercised.

Short-term leases of less than 12 months and leases of low-value assets (less than $10,000) are recognised as an expense on a straight-line basis over the lease term.

Lease liabilities represent the discounted future lease payments payable by the company and are secured by the related leased assets.

Changes in liabilities arising from financing activities	**2026 $**	**2025 $**
Lease liabilities		
Opening Balance	296,696	181,822
New Lease Liability Recognised	928,111	216,653
Interest Expense	37,277	5,982
Lease Payment	(176,419)	(107,761)
Closing Balance	**1,085,665**	**296,696**

8. Payables

	2026 $	**2025 $**
Trade creditors	195,875	461,035
Accrued expenses	83,901	64,750
GST payable	64,312	-
Other payables	70,375	146,083
Total	**414,463**	**671,868**

Trade creditors and accrued expenses are recognised when the goods are received or the service is performed, at the amount owed. Amounts owing are unsecured and are paid within the terms agreed with the supplier which is normally within seven to 30 days.

9. Reconciliation of profit/(loss) to net cash flow from operating activities

	2026 $	**2025 $**
Profit for the year	508,352	2,118,250
Non-cash items included in operating result:		
Depreciation and amortisation expense	227,720	104,148
Finance costs	37,277	5,982
Change in assets and liabilities:		
(Increase)/decrease in receivables	7,738	(73,877)
(Increase)/decrease in other current assets	(64,431)	(42,790)
Increase/(decrease) in payables	(257,406)	207,020
Increase/(decrease) in current liabilities	80,000	-
Increase/(decrease) in employee benefits	8,878	46,648
Net cash provided by operating activities	**548,129**	**2,365,381**

10. Remuneration of auditors

Total audit fees quoted by the Queensland Audit Office relating to the audit of these financial statements was $46,500 (2025: $46,500) excluding GST.

11. Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the company becomes party to the contractual provisions of the financial instrument. The company has the following categories of financial assets and financial liabilities:

	2026 $	2025 $
Financial assets (at amortised cost)		
Cash and cash equivalents	8,149,509	8,936,715
Deposits	40,000	40,000
Receivables	121,726	129,463
Total	**8,311,235**	**9,106,178**
Financial liabilities (at amortised cost)		
Payables	414,463	671,868
Lease liabilities	1,085,665	296,696
Total	**1,500,128**	**968,564**

(a) Financial risk management objectives and policies
The main purpose of the company's financial instruments (primarily cash and cash equivalents) is to provide adequate financial capability to support the company's operations.

The company activities expose it to a variety of risks including market risk (such as interest rate and price risk), credit risk and liquidity risk. The company's financial risk management activities seek to minimise potential adverse effects of the unpredictability of financial markets on financial performance. Risk management parameters are reviewed regularly by the board to reflect changes in the market condition and changes to the company's activities.

(b) Market risk

Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate due to changes in market interest rates. The company earns interest income through investing its surplus funds with financial institutions at market rates.
Any reductions in interest income posed by the fluctuation of market interest rates is not anticipated to affect the operations of the company.

Price risk
The company does not trade in foreign currency and is not materially exposed to commodity price changes or other market prices.

(c) Liquidity risk
Liquidity risk refers to the ability for the company to meet its financial obligations as and when they fall due. The company is exposed to liquidity risk in respect to its payables. The company manages this risk by ensuring there are sufficient funds available to meet its employee and supplier obligations as they fall due.

This is achieved by ensuring that minimum levels of cash are held within the various bank accounts so as to match the expected duration of the various employee and supplier liabilities.

The following table discloses the contractual maturity of the company's financial liabilities, calculated based on undiscounted cash flows relating to the liabilities at the reporting date.

11. Financial instruments (continued)

2026:

Payable in:	**1 year or less** $	**1 to 5 years** $	**Over 5 years** $	**Total** $
Categorisation of financial instruments				
Payables (at amortised cost)	414,463	-	-	**414,463**
Lease liabilities (at amortised cost)	224,685	538,520	564,787	**1,327,993**
	639,148	**538,520**	**564,787**	**1,742,457**

2025:

Payable in:	**1 year or less** $	**1 to 5 years** $	**Over 5 years** $	**Total** $
Categorisation of financial instruments				
Payables (at amortised cost)	671,868	-	-	**671,868**
Lease liabilities (at amortised cost)	112,956	199,059	-	**312,015**
	784,824	**199,059**	**-**	**983,883**

Credit risk
Credit risk refers to the risk that the company may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation. The company is exposed to credit risk in respect of its receivables.

This exposure is managed by ensuring the company invests in secure assets and monitors all funds owed on a timely basis. Exposure to credit risk is monitored on an ongoing basis.

12. Key management personnel & remuneration

***(a)* Key management personnel**

The following people were key management personnel of Manufacturing Skills Queensland Limited during the financial year:

	Appointed	**Resigned/ *Removed***	***Responsibilities***
Members*			
Hon Rosslyn Bates	01/11/2024		Member, Minister for Finance, Trade, Employment and Training
Hon Dale Last	01/11/2024		Member, Minister for Natural Resources and Mines, Minister for Manufacturing and Minister for Regional and Rural Development
Directors			
April Cavanagh	24/03/2025		Chair Board and Member Audit and Risk Committee
Jacob Gundry	24/03/2025		Director and Member Audit and Risk Committee
Fiona McDonnell	24/03/2025		Director and Chair Audit and Risk Committee
Natalie Rogers	24/03/2025		Director
Jason Kidd**	24/03/2025		Director
Chantal Llora**	24/03/2025		Director and Member Audit and Risk Committee
Richard Flanagan	29/08/2025		Director
Other			
Rebecca Massingham	10/07/2023	23/01/2026	Chief Executive Officer
Kris McCue	27/01/2026		Acting Chief Executive Officer

**Members are not remunerated*.
***Directors Jason Kidd and Chantal Llora were not remunerated as they are government employees.*

(b) Key management personnel remuneration

The following disclosures focus on the expenses incurred by MSQ that is attributable to key management positions during the respective reporting years. Therefore, the amounts disclosed reflect expenses recognised in the Statement of Profit or Loss and Other Comprehensive Income.

2025-26

Position	**Short-term employee benefits**		**Long-term employee benefits**	**Post-employment benefits**	**Termination benefits**	**Total benefits**
	Monetary benefits	**Non-monetary benefits**				
	$	**$**	**$**	**$**	**$**	**$**
Directors*						
April Cavanagh	16,965	-	-	2,036	-	**19,001**
Jacob Gundry	4,100	-	-	488	-	**4,588**
Fiona McDonnell	4,018	-	-	481	-	**4,499**
Natalie Rogers	2,691	-	-	324	-	**3,015**
Richard Flanagan	2,224	-	-	267	-	**2,491**
Other						
Rebecca Massingham	204,727	-	-	21,194	146,411**	**372,332**
Kris McCue	104,798	-	-	12,208	-	**117,006**
Total	**339,523**	**-**	**-**	**36,998**	**146,411**	**522,932**

12. Key management personnel & remuneration (continued)

** Directors are paid $3,000 per term (Chair $18,000 per term). Directors who sit on a sub-committee are entitled to $500 per committee per term. If meeting attendances are greater than 3 this payment increases to $1,000.*
***Includes termination payments made on cessation of employment, including an ex-gratia payment of $74,447.*

2024-25

Position	Short-term employee benefits		Long-term employee benefits	Post-employment benefits	Termination benefits	Total benefits
	Monetary benefits $	Non-monetary benefits $	$	$	$	$
Directors*						
Paul Cooper	14,264	-	-	-	-	**14,264**
April Cavanagh	4,661	-	-	528	-	**5,189**
Natalene Carter	2,926	-	-	-	-	**2,926**
Ann-Marie Allan	3,292	-	-	-	-	**3,292**
Sheree Taylor	2,036	-	-	524	-	**2,560**
Stacey Schinnerl	2,195	-	-	-	-	**2,195**
Michael Bonanno	1,092	-	-	-	-	**1,092**
Jacob Gundry	819	-	-	-	-	**819**
Fiona McDonnell	1,103	-	-	125	-	**1,228**
Natalie Rogers	732	-	-	87	-	**819**
Other						
Rebecca Massingham	334,268	-	-	27,389	-	**361,657**
Total	**367,388**	**-**	**-**	**28,653**	**-**	**396,041**

** Directors are paid $3,000 per term (Chair $18,000 per term). Directors who sit on a sub-committee are entitled to $500 per committee per term. If meeting attendances are greater than 3 this payment increases to $1,000.*

Short-Term employee benefits
Short-term employee benefits are made up of salary and wages, annual leave expense, sick leave and directors fees, which are outlined in note 3.

Long-Term employee benefits
Long-term employee benefits are made up of long service leave, which is outlined in note 3.

Post-employment benefits
Post-term employee benefits are made up of superannuation which is outlined in note 3.

Termination benefits
Termination benefits are made up of payments in lieu of notice on termination and other lump sum separation entitlements (excluding annual and long service leave entitlements) payable on termination of employment or acceptance of an offer of termination of employment.

Performance Payments
No KMP remuneration packages provide for performance or bonus payments.

13. Related party transactions

Transactions with other Queensland Government-controlled entities

a) Funding received from Department of Trade, Employment and Training (DTET)

Nature of Transactions	2026 $ (excluding GST)	2025 $ (excluding GST)
Primary grant funding	4,499,290	6,429,721
Centre of Excellence funding	520,000	-
VET emerging industries initiatives grant funding	-	125,146
Gateway schools program grant funding	286,875	159,375
Workforce connect fund grant funding	598,500	399,000
Microcredential program grant funding	18,080	162,720
Industry workforce advisory program grant funding	270,000	-
Women in trades mentoring program grant funding	406,500	-
Renewables officer grant funding	38,753	-
Women in non-traditional trades program grant funding	87,500	-
Industry skills and jobs advisory program grant funding	250,000	-

b) Amount receivable from Department of Trade, Employment and Training* (DTET)

Nature of Transactions	2026 $ (Including GST)	2025 $ (Including GST)
Accommodation costs recharge	-	192.50
Underspend Recovery for ISJA #12360	47,692.63	

14. Contingent liabilities

The company had no contingent liabilities as at 30 June 2026.

15. Events after balance date

Other than the appointment of Kris McCue as Chief Executive Officer effective 1 July 2026, there were no events after the reporting date requiring disclosure in the financial statements.

16. Commitments

There are no commitments for expenditure as at 30 June 2026.

In the directors' opinion:

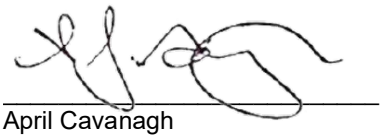
- the attached financial statements and notes comply with the *Corporations Act 2001*, the Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2026 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001.*

On behalf of the directors



April Cavanagh
Chair

23 September 2026

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INDEPENDENT AUDITOR'S REPORT

To the Members of Manufacturing Skills Queensland Limited

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Manufacturing Skills Queensland Limited.

The financial report comprises the statement of financial position as at 30 June 2026, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including material accounting policy information, and the directors' declaration.

In my opinion, the financial report:

a) gives a true and fair view of the company's financial position as at 30 June 2026, and its financial performance for the year then ended; and

b) complies with Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of my report.

I am independent of the company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*. I am also independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

Those charged with governance are responsible for the other information.

The other information comprises the information included in the entity's annual report for the year ended 30 June 2026, but does not include the financial report and our auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

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If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the directors for the financial report

The company's directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Corporations Act 2001*, the Corporations Regulations 2001 and Australian Accounting Standards, and for such internal control as the company's directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The company's directors are also responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

My 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 my 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.

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of my auditor's report.



23 September 2026

Bhavik Deoji
as delegate of the Auditor-General

Queensland Audit Office
Brisbane