MANUFACTURING SKILLS QUEENSLAND

Manufacturing Skills Queensland

ANNUAL REPORT

2025-26

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ABOUT THIS REPORT

This report summarises the activities of Manufacturing Skills Queensland for 2025-26 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 third 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

Manufacturing Skills Queensland is committed to providing accessible services to Queenslanders of all cultural and linguistic backgrounds. If you require a translator for this publication, please call the Translating and Interpreting Services (TIS National) on telephone 131 450 and ask them to contact Manufacturing Skills Queensland on 1800 MSQ 000 (1800 677 000).

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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

Manufacturing Skills Queensland (MSQ) connects manufacturers with the skilled workforce they need now and into the future. We work with industry to translate their needs into coordinated and impactful training, skills and workforce solutions.

Our Annual Training Plan focuses on four strategic pillars:

1. Workforce attraction and retention
2. Industry transformation and support for leadership
3. Skills development and capability building
4. Creating a diverse and inclusive manufacturing sector

PARTNERSHIPS THAT MATTER

As an independent organisation funded by the Queensland Department of Trade, Employment and Training (DTET), we work closely with government partners to ensure our programs align with government priorities while maintaining strong industry credibility.

As a delivery partner of DTET, we actively support the Queensland Government's Right Skills Strategy by providing flexible, industry-led training solutions that address current and emerging workforce needs. We contribute to building a skilled and resilient manufacturing workforce by investing in critical and emerging industries, and by partnering with industry to attract, develop, and retain talent. Our efforts help secure a sustainable pipeline of skilled workers essential to Queensland's economic prosperity. Additionally, we deliver targeted services through the Maryborough Manufacturing Centre of Excellence, enhancing regional skills development and industry engagement.

We also collaborate with the Department of Natural Resources, Mines, Manufacturing and Regional and Rural Development (DNRMMRRD) to support the implementation of the Transforming Queensland Manufacturing Strategy. Our initiatives promote manufacturing as an exciting and diverse industry with a wide range of roles, focusing on attracting and retaining a skilled and inclusive workforce. Our work aligns with government-priority sectors including critical minerals and resources, defence and aerospace, medical, food and beverages, metal, machinery and transport (including rail), modern methods of construction, and energy. The MSQ team works closely with Queensland Manufacturing Hubs to support manufacturers across regional Queensland.

STRATEGIC DIRECTION

In 2025-26, the Board of MSQ set a new strategic direction to guide the organisation's future. On 18 March 2026, the Board endorsed a refreshed Strategic Plan for 2026–2029, positioning MSQ to better meet the evolving needs of Queensland's manufacturing sector.

Our new vision is clear: for Queensland manufacturing to thrive with a skilled, adaptive workforce—where industry needs are translated into coordinated training solutions, every manufacturer can access the talent they require, and the sector is a powerful driver of economic prosperity and innovation.

This marks a natural evolution from our previous vision, which focused on creating skills pathways to define Queensland's manufacturing future. In a rapidly changing landscape shaped by technological advancement, shifting consumer expectations, and global competition, MSQ remains committed to developing workforce capabilities that ensure the sector not only survives but flourishes.

Due to the timing of the strategic plan's implementation late in the 2025-26 financial year, many initiatives continued under the previous strategy's framework. While these initiatives align with the new strategic priorities, full execution of the refreshed plan will accelerate in 2026-27 and beyond.

The renewed strategy provides an important opportunity to reset MSQ's direction with a stronger emphasis on:

- **Government alignment:** Deepening collaboration to deliver outcomes that support Queensland's manufacturing and skills development priorities.
- **Organisational effectiveness:** Operating as a lean, well-governed, and financially resilient organisation.
- **Revenue diversification:** Expanding funding sources through a balanced mix of government funding, commercial services, and co-investment partnerships to ensure long-term sustainability.

As MSQ advances this strategic agenda, we are well-positioned to connect Queensland manufacturers with the skilled workforce they need now and into the future, driving innovation, inclusion, and economic growth across the state.

VALUES IN ACTION

We operate with unwavering commitment to ethical practices, transparency, and respect for diverse perspectives. By listening to industry needs and responding with agility, we're creating pathways to success for Queensland's manufacturing workforce.

Three core values guide our approach:

1. Collaboration: We take a proactive and consultative approach to advocate for, and engage with, industry to develop partnerships that drive shared success.
2. Innovation: We challenge the status quo by adopting an inquisitive, creative, and future-focused mindset to strengthen the manufacturing sector.
3. Impact: We focus on achieving industry success through evidence-based, results-driven strategies that make a meaningful difference.

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.

WHERE TO FIND OUR PLAN

The MSQ strategic plan 2026–2029 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 Chair of Manufacturing Skills Queensland, I am pleased to present our Annual Report for 2025–26 — a year in which MSQ continued to translate industry needs into practical workforce outcomes across Queensland.

A key highlight was the opening of the Manufacturing Centre of Excellence in Maryborough, a significant investment in regional manufacturing capability. Since its launch in November 2025, the Centre has recorded over 60 days of occupancy and welcomed more than 850 visitors and program participants. It provides access to advanced training facilities across machining, fabrication, electrical, augmented reality, and 3D printing.

MSQ supported over 1,300 Queenslanders through jobseeker and workforce training initiatives. Across the Operational Excellence Program and ten Skills Invest pilots, more than 500 participants from metropolitan, regional, and remote Queensland gained productivity, foundational, and specialised skills essential to strengthening the state's manufacturing workforce. To build a strong talent pipeline for industry, MSQ expanded its Gateway to Industry Schools network to 44 schools and engaged approximately 2,500 students and educators through school-based activities.

Importantly, our work is increasingly informed by robust industry evidence. During the year, MSQ engaged with more than 300 stakeholders through dedicated consultation to develop our Annual Training Plan, which was further supported by over 460 interactions through events, meetings, workshops, and site visits. We published our State of the Sector report and quarterly updates, continuing to provide government with vital industry intelligence on skills shortages, training priorities, and emerging workforce needs.

These outcomes matter because manufacturing is a cornerstone of Queensland's economy. The sector generates approximately $29 billion and employs over 170,000 Queenslanders, with nearly half of all manufacturing businesses located outside metropolitan Brisbane. The industry's future competitiveness hinges on our collective ability to anticipate evolving skills requirements and build the workforce capability that industry demands.

Building on these achievements and insights, the Board has taken a forward-looking approach to guide MSQ's future direction. During the year, the Board endorsed a refreshed 2026–2029 Strategic Plan. This represents an evolution in our role — shifting from primarily funding and delivering training towards providing workforce intelligence, coordinating the skills ecosystem, directing investment to identified gaps, and, importantly, demonstrating the impact of that investment.

Financial sustainability remains a critical focus. MSQ secured $3.963 million in revenue beyond its core funding agreement during 2025–26, underscoring our ability to attract additional investment and partnerships. We will continue to pursue diversified revenue streams, commercial opportunities, and co-investment where aligned with our purpose. At the same time, financial independence cannot be achieved by intention alone. MSQ performs essential industry coordination, intelligence, and workforce functions that deliver broad public and industry benefits. With current government funding arrangements extending to June 2027, the Board will continue to work constructively with government and industry on a sustainable long-term funding model that supports these functions while enhancing the organisation's financial resilience.

This year also marked an important leadership transition. I sincerely thank our inaugural CEO, Rebecca Massingham, for her invaluable contribution to establishing MSQ, and warmly welcome Kris McCue as CEO to lead the organisation through its next phase.

Since its establishment in late 2022, MSQ has achieved significant milestones. We now have the opportunity to build on these foundations by strengthening our evidence base, measuring our impact more clearly, deepening partnerships with manufacturers and government, and ensuring investment targets the workforce challenges that matter most. On behalf of the Board, I extend my gratitude to the MSQ team, our industry partners, training and education providers, and the Queensland Government for their ongoing support. We look forward to continuing this partnership to help Queensland manufacturing thrive with the skilled, adaptive workforce it needs.

April Cavanagh
Chair of the Board
Manufacturing Skills Queensland

CEO FOREWORD

I am pleased to present my first annual report as Chief Executive Officer of MSQ. The 2025–26 financial year has been a period of significant transition and progress, marked by the introduction of our refreshed strategic plan designed to align MSQ with the evolving needs of Queensland's manufacturing sector.

Our priority is ensuring the programs and initiatives we deliver have tangible impact and are effectively utilised by manufacturers across the state. By fostering strong partnerships between industry, training providers, and government, we are building a skilled, adaptable workforce that supports the growth and competitiveness of Queensland manufacturing.

Queensland's manufacturing sector is distinguished by its resilience and regional diversity, with nearly half of its workforce located outside metropolitan Brisbane. This presents unique opportunities and challenges, which MSQ is committed to addressing through targeted workforce development, skills planning, and inclusive initiatives. The official opening of the Manufacturing Centre of Excellence in Maryborough is a clear demonstration of our commitment to regional skills development and innovation.

Designing solutions that simultaneously address workforce development and productivity challenges is a key focus. Programs like the Operational Excellence Program and High-Risk Training and Licensing have experienced strong uptake, with numerous manufacturers highlighting their vital role in enhancing operational effectiveness and workforce capability.

We are uniquely positioned to deliver tailored training, skills, and workforce solutions specifically designed for manufacturers. During the reporting period, our innovative programs attracted interest from multiple jurisdictions seeking to understand and potentially adopt these initiatives. This external recognition is a strong testament to the quality, relevance, and impact of the solutions MSQ has developed in close collaboration with industry.

I would like to sincerely thank the entire team at MSQ for their dedication, professionalism, and commitment throughout the year. Their expertise and collaborative spirit have been instrumental in delivering impactful programs and advancing our strategic objectives. Through their hard work and passion, MSQ continues to build strong partnerships with industry and government, driving meaningful outcomes for Queensland's manufacturing sector.

Looking forward, I am focused on ensuring MSQ continues to deliver evidence-based, industry-led solutions that respond to workforce needs, embrace technological advancements, and promote diversity and inclusion. Together with our dedicated team and valued partners, we will strengthen connections and deliver meaningful outcomes that position Queensland manufacturing for a prosperous future.

Kris McCue
Chief Executive Officer
Manufacturing Skills Queensland

MANUFACTURING AND SKILLS MATTER TO QUEENSLAND

Queensland's manufacturing sector stands out nationally for its resilience, regional strength, and deep integration with the state's natural resource economy. Queensland manufacturing has maintained a larger workforce than before the pandemic, employing around 171,000 people in late 2025. This represents nearly 20% of Australia's manufacturing workforce and marks Queensland as the only state to grow manufacturing jobs over the past decade.

The state's manufacturing success is closely tied to its resource-rich regions. Nearly half of Queensland's manufacturing workforce is based outside metropolitan Brisbane—the highest regional share in Australia—reflecting strong co-location with upstream and downstream primary industries. This regionalisation shapes unique workforce and training needs, with smaller, younger businesses dominating outside the major urban centres.

Growth has been concentrated in sectors linked to natural resources, including machinery and equipment manufacturing, which expanded by over 20% in the five years to 2024-25, alongside significant gains in food and beverage and petrochemicals. These industries leverage Queensland's resource endowments and regional industrial hubs, positioning the state as a key contributor to national manufacturing output.

Despite a slight contraction in output and employment in 2024-25 as supply chains normalised, Queensland manufacturing's financial performance remains strong, with operating margins above long-term benchmarks and capital investment rising. The state's manufacturing industry generated $29 billion in value-add, accounting for over 5% of Queensland's Gross State Product. The growing investment pipeline, supported by upcoming opportunities such as the Brisbane 2032 Olympics, signals a positive outlook for renewed growth.

Training completions in manufacturing have declined since the pandemic, particularly in metropolitan areas, highlighting the need to rebuild and broaden the skills pipeline. Regional centres outperform metro areas in training completions relative to workforce size, benefiting from aligned resource and manufacturing sectors. Addressing these training disparities and workforce shortages remains critical to sustaining Queensland's manufacturing momentum.

The Queensland Government's ongoing commitment to skills development and workforce planning is vital in this context. Targeted investment in training, infrastructure, and workforce initiatives supports the sector's adaptability and innovation, ensuring Queensland manufacturing continues to thrive amid evolving economic conditions and industry transformation.

OUR BOARD

MSQ s guided by a highly experienced Board of Directors, appointed prior to June 2025, bringing deep expertise in governance, commerce, tertiary education and manufacturing. The board is led by Chair April Cavanagh, an experienced Non-Executive Director with a background spanning manufacturing, finance, technology and agribusiness. Supporting Ms Cavanagh are directors Jake Gundry, Fiona McDonnell, Natalie Rogers and Richard Flanagan, alongside government representatives Chantal Llora and Jason Kidd. Together, they provide strategic leadership that strengthens MSQ's ability to respond effectively to the evolving needs of Queensland's manufacturing sector.

Our Board as at 30 June 2026

Table 1. Our Board as at 30 June 2026

Name	Position	
April Cavanagh	Chair of the Board	Deputy Chair, Toowoomba and Surat Basin Enterprise
Fiona McDonnell	Board Director Employee representative	Group Manager, Health, Safety and Environment, Hyne Timber
Natalie Rogers	Board Director Employee representative	Group Operations Manager, All Industries Group
Jacob Gundry	Board Director Employer representative	Chief Executive Officer, Australian Framing Solutions Pty Ltd
Richard Flanagan	Board Director Employer representative	
Chantal Llora	Board Director Government representative	Deputy Director-General, Delivery and Partnerships, Department of Trade, Employment and Training
Jason Kidd	Board Director Government representative	Deputy Director-General, Manufacturing and Regional and Rural Development, Department of Natural Resources and Mines, Manufacturing and Regional and Rural Development

Board changes during 2025-26

In this reporting period we saw Board changes in October 2025—we welcomed Richard Flanagan as Board Director.

YEAR IN REVIEW

In 2025–26, MSQ advanced workforce development by addressing five critical skills gaps through targeted programs. The business engaged 1,375 individuals in job seeker and workforce training initiatives, alongside 2,543 students and educators through school-based programs.

MSQ secured additional $3.963 million beyond core funding and successfully launched the Manufacturing Centre of Excellence in Maryborough.

While MSQ maintains a healthy financial position, ensuring long-term sustainability remains a key focus. Continued secure and ongoing funding will be essential to support the organisation's core functions and future growth.

Strong governance and operational efficiency continue to underpin MSQ's efforts to deliver impactful workforce solutions that support Queensland's manufacturing growth.

Note on Key Performance Indicators

With the launch of our new Strategic Plan for 2026–2029, MSQ has introduced updated Key Performance Indicators (KPIs) that more accurately reflect our evolving priorities and strategic objectives. These KPIs are designed to provide clearer insights into our impact across critical areas such as industry intelligence, workforce development, government alignment, and organisational effectiveness.

As some of these KPIs were established after the previous reporting period, comprehensive outcome data for all indicators may not yet be available. Where data is available to track progress against the KPIs, outcomes have been reported accordingly. For KPIs where data collection is still being established, progress will be reflected in future reporting periods as systems and processes mature.

In March 2026, the Board approved two overarching strategic KPIs alongside five priority KPIs aligned with our core focus areas:

KEY PERFORMANCE INDICATORS	
MANUFACTURER CONNECTION SUCCESS RATE Percentage of manufacturers who report MSQ helped them access the skilled workforce they need	**SKILLS GAP CLOSURE PROGRESS** Number of identified priority manufacturing skills gaps that are being actively addressed through MSQ activities
Framework under development	**Critical skills gaps actively addressed**

2025–26 Performance

MANUFACTURER CONNECTION SUCCESS RATE

The Manufacturer Connection Success Rate KPI is not reported for this period, as the data collection framework is still under development. This KPI will be reported in the 2026–27 annual cycle.

SKILLS GAP CLOSURE PROGRESS

MSQ has made significant progress against the Skills Gap Closure Progress KPI, actively addressing five critical priority manufacturing skills gaps through targeted initiatives, including but not limited to:

Priority skills gap	MSQ programs
Foundational Manufacturing Skills	Manufacturing General Induction, Skills Invest: Foundations of Manufacturing
Leadership, Supervision and Management	Skills Invest: Challenge of Leadership, Skills Invest: Food Safety and Leadership, Skills Invest: Meat Processing Qualifications

Priority skills gap	MSQ programs
Operational Excellence and Productivity	5S and Value Stream Mapping Transformation Pilot, ESG Micro-credential, Skills Invest: Lean Six Sigma Green Belt, Operational Excellence Program, Skills Invest: Visual Management Program
Sector-Specific Technical Capabilities	Skills Invest: Artisan Brewing and Yeast Husbandry, Skills Invest: Advanced Baking, Skills Invest: Prosthetics and Orthotics, Aerospace Industry Readiness Program, Electroplating skills development, Sewing Machine Technician training
Emerging and Advanced Manufacturing Technologies	Engineering Cadetships Program, High Risk Training and Licensing, Industry Trainer Program

PRIORITY 1: INDUSTRY INTELLIGENCE AND WORKFORCE PLANNING

Provide evidence-based skills intelligence to inform investment decisions

KPI	Number of formal submissions to government that incorporate MSQ workforce intelligence
OUR STRATEGIES	Develop and maintain comprehensive manufacturing workforce data repository and analytics capability
	Conduct industry-led needs analysis and emerging skills forecasting
	Provide strategic advisory services to government on priority skills gaps and investment opportunities
	Publish Annual Training Plans that translate industry needs into actionable workforce solutions
	Leverage regional networks for real-time intelligence gathering and development of skills and workforce programs, products and services

2025–26 performance against priority area

During the reporting period, MSQ submitted 4 formal reports to government bodies. Submissions made during this period included responses to Queensland Productivity Commission's Interim Report on Construction Industry Productivity, the Queensland Manufacturing Strategy, the Department of Industry, Science and Resources consultation on domestic manufacturing of wind and transmission infrastructure, and the draft Queensland Future Timber Plan. MSQ also made 12 submissions including input on training packages and funding. These included supplying information to the Queensland Government on the review of the Vocational Education and Training in Schools (VETiS) 2027 Qualification List Review and the Strategic Review of the Queensland Subsidised Training List 2026. MSQ also contributed to migration program consultations through Migration Queensland's State Nominated Migration Program (2025-26) and State-led Designated Area Migration Agreement (DAMA) feedback processes and participated in Jobs and Skills Australia's 2026 Occupation Shortage List (OSL) Stakeholder Survey and the Anticipating Future Skills Series Survey.

Several of these submissions represent long-tail initiatives where departmental decision-making processes extend beyond the current reporting period, with final outcomes anticipated in the next financial year. However, MSQ's sustained advocacy has already yielded tangible results. Notably, following MSQ's Industry Proposal seeking addition of Certificate III in Meat Processing (Food Services) and Certificate III in Meat Processing to the Queensland Subsidised Training List, positive indication of funding was received, with formal confirmation secured in September 2026 (outside of this reporting period).

KPI Metric	2025–26 Outcome
Number of formal submissions	16

STRATEGIC ACTIVITIES

Develop and maintain comprehensive manufacturing workforce data repository and analytics capability

Our organisation has established a robust workforce intelligence system that captures real-time insights from the manufacturing sector throughout the year. Through systematic engagement with industry partners, we collect and analyse workforce data using custom functionality integrated within our CRM platform. Each manufacturer interaction—whether for solution design, needs assessment, or agency referrals—contributes to our growing data repository. During formal ATP engagements, we deploy a suite of specialised survey and engagement tools to gather comprehensive workforce information. This data is transformed into actionable intelligence through advanced analytics platforms like Power BI, enabling us to identify emerging workforce trends, skills gaps, and training needs across the manufacturing sector.

Conduct industry-led needs analysis and emerging skills forecasting

MSQ undertakes comprehensive stakeholder engagement annually to identify current workforce needs and forecast emerging skills requirements. Our approach combines continuous intelligence gathering through day-to-day interactions with manufacturers, captured in our CRM system, alongside intensive consultation periods focused on

developing our Annual Training Plan (ATP). From January to March 2026 inclusive, MSQ engaged with over 300 stakeholders through a mix of online and face-to-face forums to understand

During this period, dedicated ATP consultation involved more than 150 participants representing key sectors including manufacturers, schools, VET providers, universities, industry associations, and consultants. Engagement spanned multiple locations—Brisbane, Cairns, Mackay, Maryborough—as well as a number of online forums, which were held with MSQ's Industry Reference Groups, and Queensland Government's Queensland Manufacturing Hubs.

Further supporting ATP development, MSQ connected with stakeholders across more than 460 trackable interactions via events, expos, conferences, workshops, meetings, and site tours.

To support evidence-based planning, MSQ published a comprehensive State of the Sector report and four quarterly updates highlighting training, skills, and workforce trends. During this period, MSQ also released the Future of Trades report, designed to support industry and policymakers in understanding how emerging technologies, such as Industry 4.0 and 5.0, are transforming the manufacturing workforce and training system. This research provides critical insights into evolving skill requirements and career pathways, helping to shape responsive training strategies that prepare Queensland's manufacturing workforce for future challenges and opportunities.

Provide strategic advisory services to government on priority skills gaps and investment opportunities

Throughout the reporting period, the Industry Skills and Jobs Advisor (ISJA) function has played a pivotal role in providing evidence-based strategic advice to government on critical skills gaps and investment priorities within Queensland's manufacturing and engineering sectors. This advisory role has been underpinned by comprehensive engagement with industry stakeholders through multiple Industry Reference Groups (IRGs) across diverse sub-sectors including General Manufacturing, Engineering, Defence Manufacturing and Aeroskills, Manufactured Products, Food and Beverage Processing, and Meat Processing.

Key workforce challenges identified include persistent shortages of skilled trades, technicians, and supervisors, particularly in regional areas, alongside an ageing workforce in specialist occupations such as electroplating, sail making, sewing machine technicians, and meat processing supervisors. These shortages pose significant risks to industry sustainability and productivity, necessitating targeted investment and coordinated action.

The ISJA has consistently highlighted the misalignment between funded training and actual delivery capacity, with several priority qualifications either not delivered locally or lacking sufficient RTO capability. Notable examples include the sail making qualification, which requires apprentices to travel interstate for training, and the absence of accessible electroplating training despite strong industry demand. The ISJA has actively supported pilot projects and working groups to address these gaps, including initiatives to develop Queensland-based training delivery, the establishment of specialised skill sets, and advocacy for mandatory work-based experience in pathway qualifications to improve job readiness and apprenticeship transitions and more.

Publish Annual Training Plans that translate industry needs into actionable workforce solutions

The 2025-26 Annual Training Plan represented a strategic investment of $5.012 million, focused on addressing critical workforce challenges and supporting growth within Queensland's manufacturing sector. This funding enabled manufacturers to access targeted training and equipped Queenslanders with the skills required to succeed in an evolving industry.

A key initiative introduced during the year was the Manufacturing Skills Invest program, which provided strategic training subsidies ranging from $50,000 to $100,000 directly to registered training organisations. The program addressed specific skills needs of manufacturing businesses, prioritising small and medium-sized manufacturers, regional shortages, and niche markets through flexible training options ranging from individual units to full qualifications.

Under the 2025-26 ATP, we launched the High-Risk Licensing Training to support workforce safety and compliance. While programs including Welding Training and Supervisor Certification continued to support growth in the industry. Additionally, pipeline programs such as Gateway to Industry Schools, Virtual Reality Experiences, and Careers Promotion for Industry were delivered to strengthen early career pathways and industry engagement.

Diversity and inclusion were identified as strategic priorities, with manufacturers recognising their value beyond social imperatives to drive business innovation and problem-solving. The Inclusivity in Manufacturing initiative progressed

during the year, developing a co-designed workforce matching platform to connect people with disability to manufacturing employment.

Leverage regional networks for real-time intelligence gathering and development of skills and workforce programs, products and services

Through strong partnerships with Regional Jobs Committees, Regional School Industry Partners, Workforce Australia, the Manufacturing Excellence Forum, Queensland Manufacturing Hubs, and Local Council Economic Development Offices, MSQ promotes statewide manufacturing priorities while ensuring local workforce needs and opportunities are accurately captured. These collaborative networks provide vital insights from regional employers, training providers, government agencies, and community stakeholders, enabling MSQ to tailor initiatives that address the unique challenges and strengths of Queensland's diverse regions.

PRIORITY 2: STRATEGIC COORDINATION AND SYSTEM INTEGRATION

Connect skills ecosystem partners to deliver maximum impact without duplication

KPI	Dollar value of workforce solutions coordinated per dollar value of MSQ revenue
OUR STRATEGIES	Leverage funding to address identified gaps
	Partner with public and private education and training providers to develop industry-validated solutions
	Facilitate connections between manufacturers and appropriate training and funding pathways
	Support Queensland Manufacturing Hubs with data, intelligence and program development, coordination and co-investment
	Test and pilot innovative approaches with delivery partners to meet identified needs

2025–26 performance against priority area

During the reporting period, MSQ coordinated workforce solutions valued at $4.07 million. Total revenue from core funding agreement and additional services agreements (excluding income from the Centre of Excellence) valued at $6.44 million. Workforce solutions included a General Induction, Leadership Excellence Series, Skills Invest Program and Women in Trades Mentoring programs to name a few.

KPI Metric	2025–26 Outcome
Total dollar value of workforce solutions	$4.07 million
MSQ revenue (core funding and services agreements, excl. Centre of Excellence)	$6.44 million

STRATEGIC ACTIVITIES

Leverage funding to address identified gaps

MSQ strategically leverages available funding to address identified skills and workforce gaps within the manufacturing sector. The Operational Excellence Program plays a pivotal role by enabling individuals employed in manufacturing to access funded accredited training when they are ineligible for other funding streams. This approach ensures equitable access to essential skills development in Lean manufacturing principles and continuous improvement practices, which are critical to enhancing productivity, quality, and safety across the sector. During the reporting period, more than 200 individuals participated in the Operational Excellence Program, extending on funding arrangements in place by the Department of Trade, Employment and Training, and creating an accredited pathway option for individuals who participated in lean workshops funded through the Department of Natural Resources, Mines, Manufacturing, and Regional and Rural Development.

Partner with public and private education and training providers to develop industry-validated solutions

We have established strategic partnerships with leading public and private education and training providers to deliver industry-validated programs that address critical skills gaps and workforce development needs. Our approach has resulted in diverse training solutions spanning engineering, operational excellence, sustainability, and specialised technical skills. Key partnerships include engineering cadetships, leadership development initiatives, an ESG micro credential, and accredited lean manufacturing qualification delivery. Sector-specific partnerships have delivered programs in timber truss manufacture, prosthetics and orthotics advanced manufacturing, meat processing leadership, and specialised training in artisan brewing, yeast husbandry, and advanced baking. Food and beverage sector leadership has been enhanced through targeted programs, whilst critical safety compliance is maintained through comprehensive high-risk training and licencing initiatives.

These figures represent the total contracted project scope, rather than participant delivery or expenditure occurring specifically within the 2025–26 financial year. A number of programs continued into 2026–27 and final participant

reporting, milestone payments and acquittals remain ongoing. If actual 2025–26 expenditure is required, this would need to be confirmed against Finance records.

Facilitate connections between manufacturers and appropriate training and funding pathways

MSQ routinely facilitates connections between manufacturers and appropriate training and funding pathways to support workforce development across the sector. This is achieved through proactive, ongoing engagement with manufacturers via one-on-one consultations, comprehensive workforce planning activities, and the dissemination of relevant information through electronic communications.

Support Queensland Manufacturing Hubs with data, intelligence and program development, coordination and co-investment

We maintain a close and collaborative relationship with the Queensland Manufacturing Hubs, providing vital data analysis services and program development support to strengthen manufacturing capabilities across the state. Through a strategic co-investment arrangement, we have partnered with the Hubs to deliver the 5S and Value Stream Mapping (VSM) Transformation Pilot—a program designed to help small and medium-sized manufacturers identify inefficiencies, streamline workflows, and boost productivity without disrupting day-to-day operations. This initiative, supported and funded by the Queensland Government Manufacturing Hubs, has already delivered tangible improvements for participating businesses, such as enhanced operational clarity, reduced waste, and increased throughput. For example, Mackay-based manufacturer, TJ Picture Framing achieved significant efficiency gains by introducing one-piece flow, improving workspace layout, formalising processes, and applying Lean 5S principles, resulting in smoother workflows, reduced cycle times, and greater scheduling confidence. Our ongoing coordination with the Hubs ensures that manufacturers receive tailored, data-driven solutions and practical support to build resilient, competitive operations that contribute to the growth of Queensland’s manufacturing sector.

Test and pilot innovative approaches with delivery partners to meet identified needs

During this period, MSQ successfully rolled out the Skills Invest program, designed to support workforce development projects that address the specific skills and workforce needs of Queensland's manufacturing sector. Through partnerships with registered training organisations, industry bodies, and regional stakeholders, Skills Invest provides flexible funding to deliver both accredited and non-accredited training that builds workforce capability, supports the adoption of new technologies, and improves productivity. Ten pilot programs were delivered across the state—ranging from foundational manufacturing skills and lean management to specialised programs in baking, brewing, timber processing, prosthetics, meat processing, and food safety—supporting 342 approved participant places across metropolitan, regional, and remote Queensland locations.

PRIORITY 3: WORKFORCE ATTRACTION AND CAPABILITY ENABLEMENT

Strengthen the pipeline and capacity for manufacturing's future

KPI	Individuals actively participating in or completing MSQ-facilitated career development programs, training initiatives and employment pathways
OUR STRATEGIES	Connect schools and students to modern manufacturing career pathways and opportunities
	Position manufacturing as a career destination critical to Queensland's prosperity
	Support businesses to connect with jobseekers and apprentices, with targeted pathways for underrepresented and diverse communities
	Facilitate investment in productivity solutions that address workforce shortages, foster inclusion, and enhance efficiency
	Support emerging priorities with workforce planning

2025–26 performance against priority area

During the reporting period, MSQ engaged **1,375 individuals** in training initiatives, and employment pathways designed to build a skilled and diverse manufacturing workforce. Through MSQ's school delivery, we have engaged a combined **2,543 students and teachers** in events, program delivery including professional development for educators, virtual reality experience career sessions, industry tours and workshops.

Key programs included the High-Risk Training and Licensing program, Operational Excellence Program and online programs through MSQ's own Learning Management System. The Skills Invest suite delivered targeted training across Foundations of Manufacturing, Lean Six Sigma Green Belt, Visual Management, Food Safety and Leadership, Certificate III in Timber Frame and Truss Manufacture, Prosthetics and Orthotics, Challenge of Leadership program, and more.

KPI Metric	2025–26 Outcome
Individuals participating in MSQ-facilitated programs (job seekers, workforce)	1,375
Individuals participating in MSQ-facilitated programs (schools)	2,543

STRATEGIC ACTIVITIES

Connect schools and students to modern manufacturing career pathways and opportunities

MSQ's strategy to connect schools and students to modern manufacturing career pathways and opportunities is delivered through the Manufacturing and Engineering Gateway to Industry Schools Program (GISP). In 2025-26 the program grew to include 44 schools. Over the reporting period, MSQ conducted more than 50 distinct engagement activities, including industry tours, mentoring programs, professional development workshops, school visits, and career expos.

Key initiatives such as the You Can Make It! Career Book reached hundreds of primary students, while the Pathways to a Trade Program provided curriculum-aligned units and structured workplace learning opportunities for secondary students. MSQ's comprehensive teacher professional development offerings, including Industry 4.0 & 5.0 modules and a 5-day Engineering Teachers Upskilling Program, further strengthen educators' capacity to prepare students for manufacturing careers.

Position manufacturing as a career destination critical to Queensland's prosperity

We continued to invest in the Manufacturing Matters website, which profiles almost 200 careers in manufacturing. Throughout the period, we added new content and promoted the platform to key stakeholders including schools, young people, and their parents. The website attracted 14,398 users, demonstrating strong interest in manufacturing career pathways. To better understand engagement and track which careers generate the most curiosity, we developed an analytics dashboard. The data revealed diverse interest across the sector, with the top-performing career pages including composite engineer, team leader, production planner, and rendering plant operator, alongside

roles spanning process improvement, industrial design, engineering, finance, operations, and emerging fields such as renewable energy and additive manufacturing.

Support businesses to connect with jobseekers and apprentices, with targeted pathways for underrepresented and diverse communities

Supporting businesses to connect with jobseekers and apprentices requires removing barriers and creating targeted pathways that enable underrepresented and diverse communities to access meaningful employment opportunities. By facilitating inclusive recruitment practices and providing specialised support, we help employers tap into underutilised talent pools while advancing workforce diversity and social equity. The Work in Manufacturing Jobs Portal (WIMJP) has been instrumental in achieving these objectives, supporting 65 jobseekers with disability across Queensland and assisting 28 manufacturing employers to implement inclusive recruitment practices. Through comprehensive employer outreach activities, the programme engaged over 180 manufacturers, raising awareness of the benefits of workforce diversity and the capabilities of people with disability. The delivery of a purpose-built, accessible workforce matching platform specifically designed for Queensland's manufacturing sector has streamlined connections between employers and qualified candidates, while strengthening inclusive recruitment pathways and workforce participation for people with disability. An independent programme evaluation has commenced to capture learnings and inform the design of future workforce inclusion initiatives, ensuring continuous improvement in our approach to building diverse, skilled, and productive workforces across the manufacturing industry.

Facilitate investment in productivity solutions that address workforce shortages, foster inclusion, and enhance efficiency

Facilitating investment in productivity solutions requires a multifaceted approach that addresses workforce shortages, fosters inclusion, and enhances operational efficiency across key industries. By supporting targeted programs that expand the talent pool and build sustainable career pathways, we enable businesses to access skilled workers while creating more diverse and resilient workforces. The Women in Trades Mentoring Program (WITMP), supported and funded by the Queensland Government in this period, exemplifies this strategic approach, delivering exceptional results that directly address critical skills shortages in the trades sector. In this reporting period the program supported 71 female mentees through structured mentoring relationships, including 53 apprentices and trainees, 16 school-based and 2 females seeking a trade apprenticeship in manufacturing, with engagement from 48 dedicated industry mentors who contributed their expertise to building a more diverse talent pipeline. Two comprehensive six-month mentoring rounds were successfully delivered alongside two school industry panel events and an industry celebration event that brought together stakeholders to strengthen industry connections and knowledge sharing. Participants benefited from ongoing professional development workshops, networking events, peer support sessions, and six e-learning modules designed to build both technical skills and professional confidence. The program's outstanding success is reflected in achieving 129% of the overall participation target, demonstrating how targeted inclusion initiatives can effectively address workforce shortages while improving retention and productivity in traditionally male-dominated industries.

Support emerging priorities with workforce planning

Supporting emerging industries with effective workforce planning is essential to ensure Queensland’s manufacturing sector remains competitive and adaptable to rapid technological and market changes. Throughout 2025–26, we engaged with over 80 stakeholders across emerging sectors such as Renewables, Modern Methods of Construction (MMC), Biomanufacturing, and Critical Minerals Manufacturing. This extensive engagement has enabled early, targeted skills planning tailored to the specific needs of these fast-growing industries, with a strong emphasis on regional Queensland, where 60% of interactions took place. This focused approach ensures workforce development aligns closely with industry demands, supporting sustainable growth and innovation across Queensland’s emerging manufacturing sectors.

PRIORITY 4: GOVERNMENT ALIGNMENT AND IMPACT DELIVERY

Achieve outcomes for government while maintaining industry credibility

KPI	Economic benefit generated per dollar of government funding invested through MSQ initiatives
OUR STRATEGIES	Align initiatives with the Right Skills Strategy 2025-2028 and the Transforming Queensland Manufacturing Strategy 2025–30
	Deliver government workforce initiatives in manufacturing to industry in a practical and accessible way
	Provide credible data and feedback to inform policy, training packages and system improvements
	Measure and communicate economic and social impact of interventions
	Maintain independence and agility while ensuring accountability for public investment

2025–26 performance against priority area

MSQ is committed to demonstrating clear value and accountability for government investment in Queensland's manufacturing workforce. A key priority for 2026–27 is to establish a comprehensive framework for measuring and reporting the economic impact of our programs and initiatives. This framework will enable us to quantify metrics including economic benefit generated per dollar of government funding invested, number of government workforce initiatives delivered, and contributions to policy and training package development.

KPI Metric	2025–26 Outcome
Framework under development	-

STRATEGIC ACTIVITIES

Align initiatives with the Right Skills Strategy 2025-2028 and the Transforming Queensland Manufacturing Strategy 2025–30

MSQ aligns its initiatives closely with the Right Skills Strategy 2025-2028 and the Transforming Queensland Manufacturing Strategy 2025–30. By delivering industry-led, flexible training solutions and fostering strong partnerships across government, industry, and education, MSQ ensures the development of the right skills at the right time and place. A key deliverable of the Right Skills Strategy is the Manufacturing Centre of Excellence (MCoE) in Maryborough, which received $7.1 million in funding to support advanced manufacturing and engineering. Now fully operational at 73 Nagel Street, Oakhurst, the centre provides cutting-edge training facilities, industry-standard equipment, and specialised workshops including fitting and machining areas, welding and fabrication spaces, electrical workshops, augmented reality training stations, and design rooms with 3D printing technology. Since its official opening in November 2025, the Centre has recorded 66 days of occupancy and welcomed 889 visitors and program participants, reflecting its growing role as a regional hub for advanced manufacturing training and workforce development. The Centre offers state-of-the-art facilities and delivers a broad range of activities including accredited training, industry briefings, and innovative programs such as Women Who Weld and augmented reality training sessions.

Deliver government workforce initiatives in manufacturing to industry in a practical and accessible way

To effectively deliver government workforce initiatives in manufacturing, it is essential to ensure these programs are practical, accessible, and directly responsive to the evolving needs of industry. By embedding workforce planning and support within the manufacturing sector, government initiatives can drive meaningful change, helping businesses anticipate and address workforce challenges proactively.

The Industry Workforce Advisor (IWA) program exemplifies this approach. In the 2025–26 financial year, the IWA program supported 40 Queensland manufacturers across a diverse range of sub-industries—from fabricated metals and machinery to food production and advanced materials. The program’s hands-on engagement helped manufacturers move beyond reactive responses to workforce pressures, enabling them to develop structured workforce plans and actionable strategies tailored to their specific needs.

Provide credible data and feedback to inform policy, training packages and system improvements

MSQ provides advice to Jobs and Skills Councils through comprehensive workforce analyses that highlight critical skill gaps and future workforce demands. This evidence supports the development and continuous refinement of training packages to ensure they remain relevant and responsive to industry needs. Additionally, MSQ's feedback mechanisms enable timely adjustments to VET system policies and practices, fostering a more agile and effective training environment that aligns with Queensland's manufacturing sector priorities. By maintaining strong industry connections and leveraging real-world data, MSQ ensures that policy and training solutions are grounded in practical realities, ultimately enhancing workforce capability and economic resilience.

As host of the Industry Skills and Jobs Advisor program, MSQ provided substantive input on training packages and funding mechanisms, including support for five MSQ project final reports: MSF Window Furnishings and Shade Sails, PMB Polymer Technician and Procession, MEA Aviation Maintenance Skills Alignment, PMA Ammonia Production Specialisation, and MSA07 Manufacturing Technology Review. MSQ also advanced an Industry Proposal seeking addition of Certificate III in Meat Processing (Food Services) and Certificate III in Meat Processing to the Queensland Subsidised Training List (QSTL).

Measure and communicate economic and social impact of interventions

MSQ has initiated the development of a new framework focused on measuring and communicating the economic and social impacts of workforce development interventions. Recognising the importance of demonstrating the value and outcomes of training investments, this strategy aims to establish robust metrics and reporting frameworks that capture both quantitative and qualitative benefits to industry and communities. Work is underway to design tools that will track the effectiveness of programs in addressing skills shortages, improving employment outcomes, and supporting regional economic growth. MSQ is collaborating with industry stakeholders, government partners, and research bodies to ensure that impact measurement aligns with broader economic development goals and social inclusion objectives.

Maintain independence and agility while ensuring accountability for public investment

As an independent organisation, we maintain full autonomy supported by our own governance structures, including a dedicated board, constitution, and internal controls. This independence enables us to remain agile and responsive to the evolving needs of the manufacturing sector while upholding rigorous standards of accountability for public investment.

Our governance framework ensures transparent decision-making, effective risk management, and compliance with all regulatory requirements. By balancing operational flexibility with strong oversight, we deliver targeted workforce development initiatives that maximise the impact of government funding and meet industry priorities.

PRIORITY 5: ORGANISATIONAL EFFECTIVENESS

Operate as a lean, well-governed, financially resilient organisation

KPI	Proportion of operational costs covered by diversified revenue streams beyond core government funding
OUR STRATEGIES	Build and retain high-performing team with capability in industry intelligence, coordination and stakeholder engagement
	Scale operations to match confirmed funding while maintaining strategic focus and boundaries
	Maintain strong governance, risk management and Board effectiveness
	Diversify revenue streams (government base funding, commercial services, co-investment) to support long-term financial sustainability
	Operate with lean, efficient back-office functions that maximise industry impact

2025–26 performance against priority area

During the reporting period, MSQ successfully diversified its revenue streams, brining in an additional $3.963 million above the core funding agreement.

KPI Metric	2025–26 Outcome
Diversified revenue (outside of core funding agreement)	$3.963 million
Operational expenditure	$3.92 million
Percentage of operational costs covered by diversified revenue	101%

Build and retain high-performing team with capability in industry intelligence, coordination and stakeholder engagement

We strengthened workforce capability by implementing a structured onboarding and probation framework, supporting employees from appointment through to successful integration and performance. Leadership and people management skills were enhanced through targeted guidance, tools, and support for managers, fostering consistent performance and employee development. Employee engagement and retention improved through wellbeing initiatives, support programs, and activities that promoted a positive and connected workplace culture, including a full-day team session in October 2025 and regular social events. Organisational effectiveness was further strengthened by reviewing and enhancing people policies, processes, and workforce reporting, enabling informed decision-making aligned with strategic objectives. Additionally, with the onboarding of our Centre of Excellence team in Maryborough, the business is now operating across two sites. We have actively worked to build a culture of collaboration, reinforcing our identity as a unified organisation.

Scale operations to match confirmed funding while maintaining strategic focus and boundaries

During the period, MSQ revised its organisational structure to better align with confirmed funding levels and strategic priorities. This included streamlining our corporate services function with advice through a third-party review to enhance hands-on support for the business and provide greater operational oversight. MSQ continues to review its structure in response to government delivery expectations and evolving industry needs.

Maintain strong governance, risk management and Board effectiveness

MSQ has demonstrated strong governance and Board effectiveness throughout the year, underpinned by robust risk management and continuous improvement initiatives. The Board Charter was reviewed and updated in June 2026, reinforcing clear roles and responsibilities, while the Audit and Risk Committee met four times to provide ongoing oversight and assurance. An independent review of Board reporting was also completed, with a revised Board paper format scheduled for implementation in FY27 to enhance transparency and decision-making. Several key governance and financial policies were reviewed and updated, including Financial Authorities and Delegations,

Investment, Domestic Travel and Expense, IT and Data Security, and a new Fixed Asset Management Policy following the opening of the Centre of Excellence. Financial management was strengthened through the successful migration to the Xero finance system and a detailed financial reforecast approved by the Board in March 2026, which improved the projected year-end position from a budgeted deficit to a breakeven forecast.

Diversify revenue streams (government base funding, commercial services, co-investment) to support long-term financial sustainability

During this financial year, MSQ provided the Queensland Government with a range of options to support the organisation's future financial sustainability. We contributed detailed information to assist budget discussions aimed at securing ongoing base funding. In the short term, MSQ's priorities remain shaped by the current funding environment. While committed to delivering against our Strategic Plan, Annual Training Plan, and government priorities, the scale and pace of delivery are influenced by the level and certainty of available funding. Securing a sustainable operating model through diversifying revenue streams—including government base funding, commercial services, and co-investment arrangements—is therefore critical to achieving our longer-term objectives.

During the 2025-26 financial year, MSQ successfully generated significant revenue beyond its core funding agreement by securing a variety of grant and program funds. These additional resources supported a wide range of workforce development initiatives, enabling MSQ to expand its impact across multiple sectors and deliver targeted training, advisory, and engagement programs.

Operate with lean, efficient back-office functions that maximise industry impact

A key achievement was the successful migration of the finance management system from MYOB to Xero in January 2026, streamlining financial processes and improving reporting capabilities. We operate with a lean corporate services team that provides effective support across both sites. To enhance efficiency, we introduced Xero to streamline our financial management processes. Additionally, we conducted a comprehensive review of our policies and procedures to right-size the framework for our organisation. This review included revising key policies such as procurement and simplifying various organisational templates, including those related to project management. These improvements ensure our back-office functions are efficient and aligned to maximise our impact on the industry.

FINANCIAL SUMMARY

The Queensland Government has invested $24.5 million in support of MSQ. This is paid subject to the delivery of services under agreement with the Department of Trade, Employment and Training and MSQ. MSQ has funding until 30 June 2027.

During the 2025-26 financial year, MSQ secured a broad portfolio of funding to advance its workforce development initiatives and strategic objectives. The overall revenue for the period totals $8.56 million.

In 2025-26, our focus was on the implementation of training, skills and workforce development initiatives.

MSQ’s financial position is reported to the Board and Department of Trade, Employment 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 with funding by the Queensland Government. Our work supports the Queensland Government's investment in manufacturing.

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

- Minister with responsibility for training and skills development
- Minister with responsibility for manufacturing

The MSQ Board guides the organisation's strategy and ensures investment in manufacturing skills and training, through the Annual Training Plan, meets the needs of industry. Our Strategic Plan is prepared and submitted by the Board each year for responsible Ministers' approval. In addition, MSQ is required to submit an Annual Training Plan to the Department of Trade, Employment and Training by 30 April each year.

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.

The Board's role encompasses setting strategic direction, ensuring regulatory compliance, managing risk, and providing oversight of organisational performance. Our constitution outlines specific objectives that guide our strategic and business planning, including industry engagement, talent attraction, supply chain analysis, training plan development, and delivery of value-adding services to the manufacturing sector.

Through robust governance structures and processes, MSQ maintains its focus on building a sustainably skilled workforce for a future-proofed manufacturing industry.

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 advises MSQ on challenges and opportunities facing Queensland's manufacturing industry. Chaired by MSQ's CEO, this group helps identify issues and develop solutions benefiting the entire manufacturing ecosystem. Their advice spans workforce initiatives, training solutions for workers adapting to new technologies, attraction and retention strategies, diversity enhancement, and emerging trends affecting industry skills needs. The group plays a crucial role in shaping MSQ's Annual Training Plan, ensuring industry perspectives guide our strategic direction.

Industry Reference Groups

MSQ facilitates six specialised Industry Reference Groups to ensure we hear directly from stakeholders across Queensland. These groups play a pivotal role in shaping Queensland's manufacturing workforce and helping align training and skills priorities with industry needs.

Our current Industry Reference Groups include:

- Engineering, Defence Manufacturing and Aeroskills
- Food and Beverage
- General Manufacturing
- Manufactured Products
- Meat Processing
- Schools

These groups bring together representatives from manufacturers and key stakeholders from all regions of Queensland. Through these structured engagement channels, MSQ ensures its programs and investments directly address the diverse needs of Queensland's manufacturing subsectors while maintaining a statewide perspective.

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 the financial year 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

Queensland manufacturing enters the coming years from a position of resilience and growing capability. With more than 170,000 Queenslanders employed in the industry, manufacturing has consolidated its post-pandemic gains and remains the only state to have expanded its manufacturing workforce over the past decade. Its future will be shaped by how effectively businesses respond to technological change, workforce pressures and emerging opportunities across Queensland's regions.

There is a clear appetite for greater automation and digital transformation. Manufacturers are investing in software, artificial intelligence, and improved data capture and analysis to increase efficiency, streamline processes, automate repetitive tasks and enable predictive maintenance of machinery and equipment. This investment is being driven by the need to remain competitive, resilient and agile as domestic and international competition intensifies.

Technology adoption is rarely linear. For many manufacturers—particularly small and medium-sized businesses—it occurs progressively as capability, confidence and resources develop. This transition is changing the skills required across the industry. Queensland's current and future manufacturing workforce will need stronger digital foundations and the ability to continually add to its skills throughout a career. Modular and stackable learning, skill sets and micro-credentials will become increasingly important, allowing businesses and workers to respond more quickly to technological change.

Queensland's manufacturing future is also increasingly connected to the state's strengths in energy and resources. Since 2019–20, substantial growth in Machinery and Equipment Manufacturing (49%), Petroleum and Chemical Product Manufacturing (10%), and Metal Product Manufacturing (4%) has contributed to a shift in the industry's composition. This alignment creates opportunities for further growth, greater specialisation and the development of advanced local supply chains that support major energy, resources and infrastructure projects.

The highly regionalised nature of Queensland manufacturing sets it apart from other states. Approximately half of the workforce is located outside metropolitan Brisbane, creating opportunities to develop specialised manufacturing clusters and strengthen regional economies. It also presents challenges in ensuring that businesses across diverse locations can access the workers, training and infrastructure they need.

Several priorities will shape the industry's next phase:

- **Workforce development:** With job vacancies modelled at approximately 2.1% and 55% of manufacturers reporting difficulty filling advertised positions, addressing skills shortages remains critical. Younger workers are entering the industry with higher levels of educational attainment, but continued investment in vocational education, workplace development and lifelong learning will be needed to build the required capability.
- **Technological adaptation:** Manufacturing capital expenditure reached $2.7 billion in 2024–25, representing 8.0% of Queensland's total capital expenditure. Sustaining investment in technology, equipment and workforce capability will be essential to improving productivity and supporting future growth.
- **Diversity and inclusion:** Women now represent approximately 27% of the manufacturing workforce. While this is an important improvement, recent fluctuations demonstrate that lasting change will require systemic and long-term approaches to attraction, retention and career progression.
- **Regional capability:** Continued growth in regional Queensland—particularly in areas connected to energy and resource projects—creates opportunities for specialised manufacturing clusters supported by training models tailored to local industries and labour markets.

Queensland manufacturing has demonstrated that it can adapt, invest and grow through periods of significant change. Its next phase will depend on bringing together technology, workforce development and regional capability. By aligning investment in people with investment in innovation, Queensland can build a more productive, diverse and globally competitive manufacturing industry—one equipped to capture emerging opportunities and contribute to the state's long-term economic resilience.