

20 December 2016

Ms Rachel Hunter  
Chair  
Jobs Queensland

**BY EMAIL:** [engagement@jobsqueensland.qld.gov.au](mailto:engagement@jobsqueensland.qld.gov.au).

Dear Ms Hunter

**Submission by the Australian Sugar Milling Council to Jobs Queensland on the Positive Futures: Apprenticeships and Traineeships in Queensland.**

**1. Introduction**

The Australian Sugar Milling Council (ASMC) is the peak policy body for Australian sugar milling companies, representing over 95% of Australian raw sugar production. This letter is provided by the ASMC to Jobs Queensland on the Positive Futures: Apprenticeships and Traineeships in Queensland, Discussion Paper November 2016.

**2. The Australian Sugar Milling Council**

The ASMC is an advocacy-based organisation, operating in the best interests of members and the broader Australian sugar industry.

Collectively, ASMC Members account for around 95 percent of Australia's raw sugar production, and generally 100 percent of its raw sugar exports. This submission is supported by the ASMC's six member companies:

- MSF Sugar Limited;
- Isis Central Sugar Mill Company;
- Bundaberg Sugar Ltd;
- Wilmar Sugar Australia Ltd;
- Mackay Sugar Limited; and
- Tully Sugar Limited.



### 3. Overview of the Industry

The perishable nature of sugarcane means it must ideally be processed within 16 hours of harvest to avoid deterioration in quality. Consequently harvested sugarcane must be delivered quickly to mills most closely located to farms.

Sugar mill businesses are highly capital intensive with purpose built, industry specific sugarcane crushing plant and equipment that does not have alternative uses. Sugar mills are high volume low margin businesses.

The industry's major product is raw crystal sugar, which is sold to refineries both domestically and abroad. Approximately 95% of Australian sugar comes from Queensland with the balance from Northern New South Wales.

The Australian sugarcane industry is one of Australia's largest and most important rural industries with sugarcane being Queensland's largest agricultural crop. Around 35 million tonnes of sugarcane is grown on about 380,000 hectares annually. This sugarcane crop can produce 4.5 to 5 million tonnes of raw sugar, 1 million tonnes of molasses and 10 million tonnes of bagasse annually. Approximately 85% of the raw sugar produced in Queensland is exported, generating some \$2.0 billion in export earnings for Queensland. Production from the New South Wales sugar industry is generally refined and sold into the domestic market.

#### *Green energy*

Sugar mills are self-sufficient in energy, burning the by-product from sugar production called bagasse (which is a renewable fuel) to generate electricity and steam for factory operations. In addition, more than half of the electricity generated (around 500 GWh in 2014) is exported to the electricity network supporting electricity infrastructure and reducing greenhouse gas emissions from power generation. The use of renewable bagasse for the production of 'green' energy reduces the nation's greenhouse gas emissions by over 1.5 million tonnes annually.

These operations are high risk, heavy engineering, and employ approximately 300 traditional trade apprentices in the regional locations displayed on the following map.



#### 4. Process to engage Members

The ASMC has organised a version of the current People & Safety Committee for over twenty years. The People & Safety Committee is the coordinating body for sugar milling companies in terms of the broad spectrum of human resources, industrial relations, and safety across the sugar milling industry. The membership of this committee is drawn from senior managers who are responsible for people performance in the sugar milling companies.



This committee meets at least four times each year covering a broad scope of industry matters. They also take the opportunity at these meetings to be briefed by external authorities on important case law and emerging trends and changes in Employee Relations and Safety.

In 2016 the People & Safety Committee launched a [Safety Charter](#) and the inaugural [ASMC Safety Awards](#). Further information on the People & Safety Committee activities can be found here:

<http://asmc.com.au/resources/people-safety/>.

The Jobs Queensland discussion paper and questions was table at the 2 December 2016 People & Safety Committee meeting and members submitted responses to the 31 questions. A summary of responses is listed in the attached document. Some members also chose to complete the online questions, via the Jobs Queensland website.

## 5. Recommendation Summary

In summary the ASMC puts forward the following recommendations:

1. Sugar milling is a long term high user of traditional apprenticeships in regional locations and is keen to try new ways to utilise traineeships and non-traditional apprenticeships and qualifications.
2. Support for apprentices living away from home in regional locations should be structured to make it less difficult for regional employees and employers.
3. Literacy and numeracy tutorials would encourage more mature age and diversity in apprenticeship applicant pools.
4. Financial support can make it easier for regional employers to take on apprentices and provide improved access to training opportunities.
5. Improved communication on apprenticeship programs will help employers understand how to use the system and employ more apprentices and trainees.

Should you have any further questions or wish to discuss the content of this submission, please contact Garry Whiting on 07 3231 5000 or [asmc@asmc.com.au](mailto:asmc@asmc.com.au).

Yours sincerely

A handwritten signature in black ink, appearing to read 'Dominic V Nolan', is positioned below the 'Yours sincerely' text.

Dominic V Nolan  
Chief Executive Officer

## Jobs Queensland on the Positive Futures: Apprenticeships and Traineeships in Queensland - ASMC Response

1. Why has there been a rise in older workers entering apprenticeships and what are the benefits as a result?

There has generally not been a rise in older workers entering the apprenticeship scheme in the milling sector. However, most applicants now have completed Grade 12 with mathematics and science as subjects. In the few instances where older workers have been accepted as apprentices, they were found to be better prepared for the workplace and in a sense more reliable.

2. How would you strengthen the role of apprenticeships and traineeships as a pathway to employment for young people?

More focus on career guidance at secondary school level, with increased awareness of career opportunities.

Review the support offered for apprentices that need to relocate in order to undertake an apprenticeship. Support may include:

- Provide stronger mentoring and guidance services (especially for young apprentices)
  - Review the financial support currently offered such as:
    - Living away from home allowance Rental subsidies Student concession cards Trade support loans Study and travel subsidies
3. How would you increase the diversity of people undertaking apprenticeship and traineeship?

The applicant pool is generally not diverse and this is an issue. It comes back to career guidance and awareness at school level. Career guidance at some schools is not in tune with the economy.

Ongoing literacy and numeracy training/tutorials could be offered for apprentices that require these services. This may help to further increase the age diversity of people undertaking apprenticeships and better support all apprentices requiring this assistance.

The building of stronger links between vocational and tertiary education pathways would allow for additional options to be considered by people wanting to plan holistic careers.

4. How could the flexibilities of the apprenticeship and traineeship system be further explained to industry and employers?

There is good awareness, and the annual intake of apprentices is embedded and structured. Generally, the flexibility could be better communicated and marketed to industry and business, via:

- Employer/industry forums.
- Further increase in the role of Australian Apprenticeship Support Network (AASN).
- Promotion through various media forms.

5. In your opinion, what is the purpose of the apprenticeship and traineeship system?

To provide people with a pathway to develop specific skills associated with defined roles through a combination of recognised off and on the job training opportunities.

To train and upskill employees to recognised qualification to address the skills requirements of business and industry.

6. What role have incentives played in your interaction with the apprenticeship and traineeship system?

Incentives certainly help and provide an encouragement for both employers and employees. The incentives help to increase the annual intake. Incentives have also assisted in offsetting the cost to business of providing recognised training opportunities for apprentices.

7. Have particular aspects of the incentives schemes influenced you more than others?

The ongoing support offered by the incentive scheme has assisted the company to continue to employ apprentices on an annual basis, especially in rural and regional areas. Offering incentives in times of poor economic and business conditions will assist to lessen the reduction of intake numbers that usually happens in these business environments.

8. How could the incentives available be best understood by industry and employers?

We find that changes are not well communicated, and at times we are unaware of important changes- improved communication would address this.

- Employer/industry forums.
- Further increase in the role of Australian Apprenticeship Support Network providers.
- Promotion through various media forms.

Communication needs to be a constant activity when it comes to programs that are enduring over time and therefore need new effort for new entrants.

9. In what way could incentives assist with the creation of new jobs or productivity improvements in your business or industry?

Higher incentives would be attractive, but we are limited with available resources to provide on the job training and coaching to apprentices. Apprentices take up considerable time of supervisors and experience trade people on the shopfloor.

Depending on the amount associated with the incentive it may become financially beneficial to employ a larger number of apprentices.

Incentive payments may help to source additional training for apprentices that would enhance productivity gains.

Incentive payments that may encourage employers to share a student with another sector of supply chain member, could provide students with valuable experience outside their employer.

10. Do you use training methods that include work based learning (e.g. apprenticeships and traineeships) or institutional pathways (e.g. Certificate 3 Guarantee)? Why?

Work based learning, as this approach better supports the needs of the business.

11. Are there features of your business/industry which impacts on the employment of apprentices or trainees?

External factors like crop size and commodity price have a definite impact. Some of the business areas that impact on the employment of apprentices include:

- Organisational structuring
- Financial viability
- Scope of works
- Seasonal weather patterns

12. Can you describe any initiatives introduced to address them?

Ensuring workforce planning and establishment levels reflect the scope of work required by the business to ensure financial viability is continued.

13. What would make apprenticeships and traineeships more attractive to your industry?

Increased incentive always makes it more attractive, but more importantly, pre-apprenticeship or vocational exposure to trade work will be beneficial. Also exposure to the health and safety aspects of industry prior to entering an apprenticeship programme.

Other factors that are reviewed when considering apprentice numbers are:

- Good economic and business conditions.
- Type of work undertaken within the business aligns with apprentice structure.
- The ability to provide ongoing employment at the completion of qualification.

14. What are the key success factors in the completion of apprenticeships and traineeships?

Maturity, work satisfaction, training and coaching in the workplace, and attaining a recognised qualification. Variation in work skills/multi work skills in sugar industry. Appropriate support mechanisms in the workplace including:

- Mentoring
- Allocation of appropriate work
- Managing of training requirements
- Financial practicality

15. What support is important in assisting small to medium businesses participate successfully in the apprenticeship and traineeship system?

- Understanding of how apprenticeships and traineeships are structured.
- Regular contact visits from regulatory support bodies such as AASN's (Australian Apprenticeship Support Network).
- Ensuring financial incentives remain available.
- Financial incentive structures that facilitate the sharing of students across the industry.

16. What would be needed for larger employers to increase engagement with the system?

Definitely improved communication channels with authorities who design training, and participation in industry bodies who deal with apprenticeships in that industry.

- Strengthen of mentoring and guidance services (especially for young apprentices).
- Increase the scope of available incentives and qualifications included on the National Skills Needs List.

17. How would you define quality in an apprenticeship and traineeship system?

A system that provides participants with the correct and applicable skills to meet the requirements of our business. This would require some flexibility in the design of curricula and training programmes:

- Numbers involved in the program.
- Number of completions in association with commencements.
- Level of trade skills attained.
- Availability of suitable training options/providers.
- A wide geographical footprint of employers providing apprenticeship and traineeship opportunities to people.

18. Are you satisfied with the current apprenticeship and traineeship system? Why?

We are satisfied, but we have concerns about the availability of qualified instructors and training staff at TAFE institutions. Teaching resources are not always readily available. But perhaps more importantly, the educational system, including some teachers, does not support vocational training. Mostly, however, further guidance and support needs to be provided to apprentices in general to assist with:

- Mentoring and guidance
- Managing of training requirements
- Financial practicality

19. What strategies could further improve the quality of the current system?

It could be more industry focussed, and agile to adopt latest technology and practices.

Apprenticeships could be more modular and allow industry or business specific qualifications. Funding to develop these would be useful in starting students in an industry, who may go on and complete qualifications with other employers.

20. What is your awareness of, or experience with, pre-employment apprenticeship and traineeship programs?

We are aware of those, and have experience of particularly school-based work experience, a system that we value, and use when we decide on apprentice intake. Also, contact with apprentices who completed pre-employment apprenticeship qualifications through schools.

21. Do you value these programs as a pre-employment pathway? Why?

Yes. It provides young people the opportunity to test the water with regards to career opportunities. But not the qualification achieved as an outcome. Generally speaking, the skills acquired at a pre-employment certificate program offered at a school are not of the same quality achieved from on the job training supported by structured formal training.

22. What would enhance the value of pre-employment apprenticeship and traineeship programs for both employers and participants?

More encouragement at school level, better understanding of career opportunities. Maths and science should be encouraged at school level. Plus a level of skills, training and experience that align to the requirements of the workplace.

23. What has been your experience with school-based apprenticeships and traineeships?

Limited experience with these programs. In 2015 the industry worked with the Industry Skills Council to structure a school based traineeship aligned with Sugar Laboratory requirements. Due to the internal focus of the skills council and protracted restructuring, the sugar industry is frustrated with the time it has taken to finalise this qualification.

24. How has the school-based apprenticeship and traineeship system met your needs?

Historically not well but the industry is keen to try options in this area and are finding the lack of industry focus with Federal Government reform to be frustrating.

25. Please provide examples of school- based apprenticeships and traineeships proving to be a valuable employment pathway.

N/A.

26. What enhancements would you suggest to school-based apprenticeships and traineeship?

It should be Industry and technology focussed.

27. To what extent is increased specialisation a feature of your industry?

It is definitely present, and part of modern work life. Instrumentation/control system knowledge is becoming more of a requirement. The apprenticeship programme has to stay relevant and keep up with specialization. There is a reduced need for some skill sets associated with some trades.

28. How is this affecting your participation in the apprenticeship and traineeship system?

We currently provide the specialization training that our employees and apprentices need. It also changes the types and scope of work allocated to apprentices.

29. What is the tolerance of industry to the use of simulation within the apprenticeship and traineeship system?

There is a place for simulation training, but probably not as much in our specific situation. It can be a good support tool, allowing skills development in a more controlled and risk-managed environment, but can't replace on the job training.

30. How is technology changing the training requirements of apprentices and trainees in your industry?

It is obviously a very important factor, and we are very cognisant of it. There is limited simulation used within the industry however it is a useful tool that is underutilised. The industry is actively developing a simulation tool for a key aspect of sugar milling operations.

31. What changes could assist apprenticeships and traineeships continue to meet the challenges of technological?

Apprenticeship and traineeship content and training programmes absolutely have to remain relevant, and be very agile to incorporate the continuous and accelerating change that is taking place. The availability of up to date products and equipment to undertake relevant training on. The need for some skill sets have been reduced or even removed.