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Deputy President Gostenknick  
Fair Work Commission  
11 Exhibition Street  
Melbourne 3000

Dear Deputy President

**Re. AM2014/203 - 4 yearly review of modern awards – Graphic Arts, Printing and Publishing Award 2010**

We refer to the AMWU's substantive claim to make major changes to Schedule C – Competencies, in the *Graphic Arts, Printing and Publishing Award 2010*.

We advise that we oppose the amendments that the AMWU proposes.

The competencies in Schedule C are directly linked to the classification structure and the wage rates in the Award. The changes that the AMWU proposes would most likely result in a large number of employees under the Award being reclassified at higher levels and becoming entitled to higher wage rates in circumstances where there has been no change in the value of the work being performed by the employees.

The amendments proposed by the AMWU breach s.156(3) of the *Fair Work Act 2009* because the higher wage rates that would become payable are not “justified by work value reasons”.

The current linkages between the classification structure, the competencies in Schedule C and the wage rates in the Award arose out a 26 October 2005 decision ([PR964271](#)) of Senior Deputy President Marsh of the Australian Industrial Relations Commission (AIRC). The first paragraph of that decision states: (emphasis added)

[1] This decision resolves an extremely protracted exercise which commenced sixteen years ago under the auspices of the Structural Efficiency Principle which was introduced by the August 1989 National Wage Case Decision which required the parties to provide “consistent, coherent award structures based on training and skills acquired.” For sixteen years the major parties to what is now the Graphic Arts - General - Award 2000 (the award) have been attempting to reach agreement on a skill based classification structure to be inserted into the award and apply across the industry. Various Members of the Commission, most notably Merriman C and Munro J, have made determinations and given guidance to the parties along the way. The most recent impetus for the award classification structure arises out of award simplification proceedings between 1998 and 2000. The classification structure remained a reserved matter at the time the award was made and the parties have been relatively active since that time in developing and testing classification levels which are capable of practical application throughout the disparate graphic arts industry.

On 8 March 2006, a Full Bench of the AIRC (Guidice J, Hamilton DP and Cribb C) decided ([PR969473](#)) not to grant leave to the Printing Industries Association of Australia to appeal the decision.

Ai Group is opposed to the large number of additional competencies that the AMWU is seeking to have added to Schedule C (see the competencies highlighted in yellow on pages 6 to 18 of the AMWU's draft determination of 24 April 2018). The addition of these competencies would potentially have major adverse reclassification and cost consequences for employers.

Ai Group is also opposed to the weightings being increased for various existing competencies, as proposed by the AMWU (see the table attached to the AMWU's draft determination of 24 April 2018).

However, Ai Group would not be opposed to the following changes to Schedule C:

1. Deleting the following competencies from Schedule C, as proposed by the AMWU:

- ICPKN312B - Apply knowledge of printing machining
- ICPKN314B - Apply knowledge and requirements of the screen printing sector
- ICPKN316B - Apply knowledge and requirements of paper and printing processes
- ICPKN320B - Apply knowledge and requirements of information technology systems in the printing industry
- BSBSBM301A - Research business activities
- BSBSLS302A - Identify sales prospects
- BSBSBM402A - Undertake financial planning
- BSBSBM404A - Undertake business planning
- ICPKN311B - Apply knowledge of the graphic pre-press sector
- ICPPP222B - Scan a line image
- ICPPP226B - Produce interactive PDF files
- ICPPP227B - Produce online PDF files
- KN15A - Apply knowledge and requirements of the multi media sector
- CUFMEM121A - Update webpages
- CUFMEM07A - Apply principles of visual design and communication to the development of a multimedia product
- KN18A - Apply knowledge and requirements of mail house
- KN19A - Apply knowledge and process of converting paper-based products
- KN13A - Apply knowledge and requirements of the converting, binding and finishing sector
- TDTA4101A - Manually sort mail and or parcels
- SP231A - Prepare stencil using computer or hand cut method
- BSBADV401A - Profile a target audience
- BSBCM410A - Co-ordinate implementation of customer service strategies

2. Reducing the weighting for the following competencies in Schedule C, as proposed by the AMWU:
  - CUFIMA05A - create 3 dimensional digital models and images (reduce weighting from 5 points to 3 points)
  - CUFMEM10A - Design and create a multimedia interface (reduce weighting from 5 points to 4 points)
  - CUFMEM11A - Design the navigation for a multimedia product (reduce weighting from 5 points to 4 points)
  - CULLB505A - Analyse and describe material (reduce weighting from 5 points to 4 points)
  - CUFIMA06A - Develop and implement visual effects designs (reduce weighting from 6 points to 3 points)
  - CUFMEM09A - Apply principles of game design to a multimedia product (reduce weighting from 6 points to 5 points)
  - BSBMKG401A - Profile the market (reduce weighting from 4 points to 0 points)
3. Updating the codes for those competencies currently listed in Schedule C which have not substantially changed, with no change to the weighting of each competency.

The above changes would not have adverse consequences for employers or employees.

An alternative acceptable approach would be to remove Schedule C entirely from the Award, with classifications and wage rates determined through the application of the classification definitions in Schedule B of the Award. (This is already, by far, the most common method of classifying employees under this Award). The definitions in Schedule B include formal qualifications and indicative tasks. This approach would not prevent the Industry Training Package and competency standards being used to guide training outcomes in the industry. It would simply prevent adverse reclassification and cost consequences arising for employers due to decisions made by training bodies. The persons who make decisions on training bodies are typically appointed due to their knowledge and qualifications in training matters. They often have little or no detailed understanding of any linkages between awards and relevant competencies, and the effect of decisions made for training purposes on wage rates under awards. This is not surprising when there are only a very small number of awards which have classification structures formally linked to competency standards.

Yours sincerely



**Stephen Smith**  
Head of National Workplace Relations Policy