



Australian Fair Pay Commission

Introducing the Fair Pay Commission

**An address to CEDA by
Professor Ian Harper, Chairman, AFPC**

Melbourne, 27 April 2006



Australian Fair Pay Commission

- Established on 15 December 2005
- Wage-setting powers commenced on 27 March 2006
- Sets and adjusts minimum wages so as to “promote the economic prosperity of the people of Australia”
- One of four regulators governing different aspects of workplace relations under the new Act



Australian Fair Pay Commission

- In setting minimum wages, the AFPC must consider:
 - the capacity of the unemployed and low paid to obtain and remain in employment
 - employment and competitiveness across the economy
 - providing a safety net for the low paid
 - providing minimum wages for juniors, trainees and disabled workers to ensure their competitiveness in the labour market



Australian Fair Pay Commission

- AFPC comprises the Chair and four part-time Commissioners:
 - **Hugh Armstrong**
 - former National Executive President of the Australian Services Union
 - **Patrick McClure AO**
 - CEO of Mission Australia since 1996
 - **Mike O’Hagan**
 - owner/director of MiniMovers
 - **Judith Sloan**
 - labour economist, company director and part-time Commissioner with the Productivity Commission



Australian Fair Pay Commission

- AFPC supported by full-time Secretariat
 - **Jennifer Taylor**
 - Director of the Secretariat
- Commission offices located at 595 Collins Street



Australian Fair Pay Commission

- AFPC must make its first determination by Spring 2006
- Commission may inform itself by
 - undertaking/commissioning research
 - consulting with organisations and individuals
 - monitoring the impact of its wage-setting decisions
- AFPC wage-setting determinations are binding



Australian Fair Pay Commission

- Commission met for the first time on 30 March 2006 and again on 20 April 2006
- Shared appreciation of the importance of our task, especially for unemployed and low-paid Australians
- Shared commitment to a new way of setting minimum wages
- Breadth of experience and knowledge around the Commission table



Australian Fair Pay Commission

- Consultation methods will include
 - formal written submissions (due 28 July)
 - contact via email and telephone (1800 number)
 - focus groups
 - stakeholder meetings/roundtables
 - site visits
 - public meetings
 - presentations
- Commissioners will travel throughout Australia
 - aim to hear from a wide cross-section of people, especially the low-paid and their employers



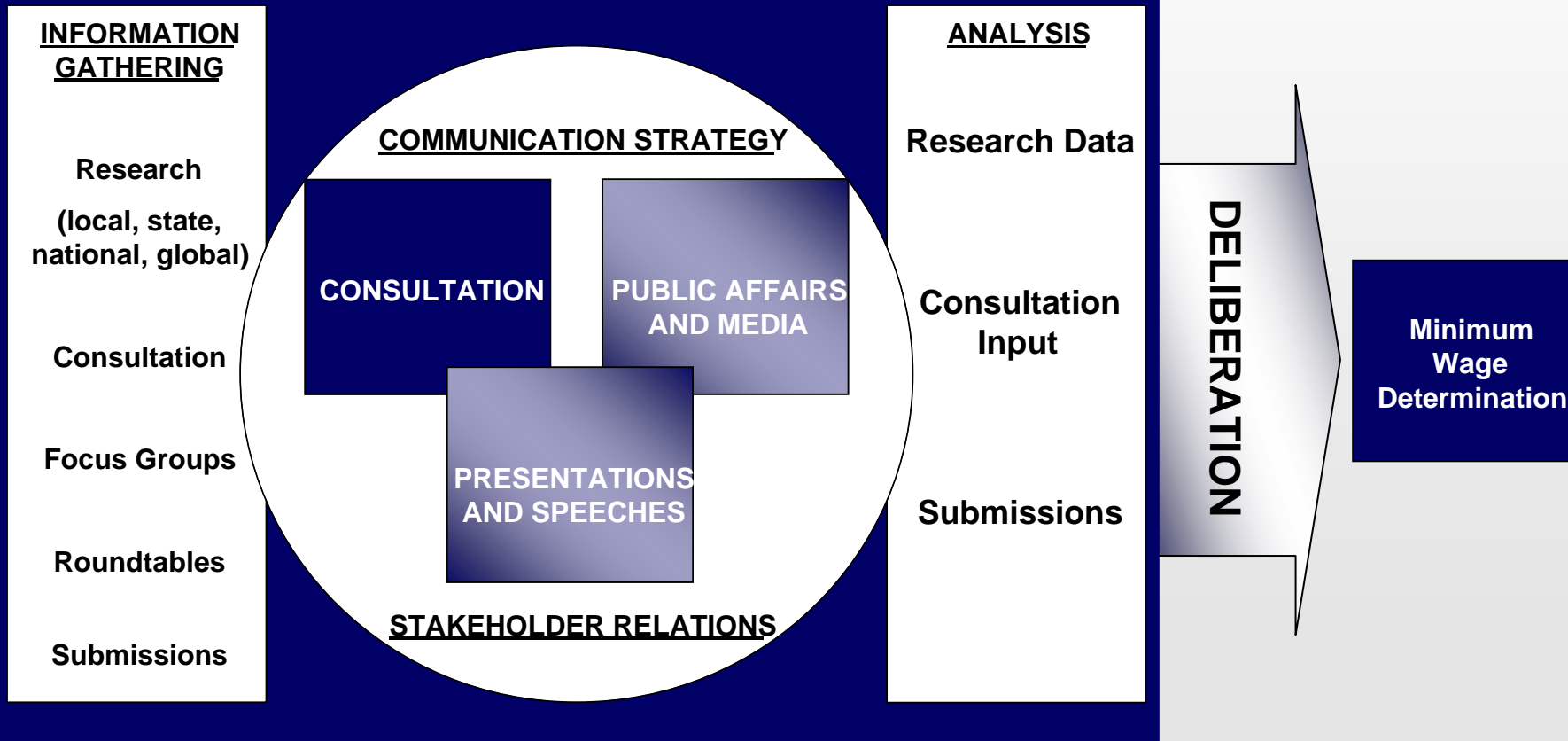
Australian Fair Pay Commission

- Research will be
 - commissioned in the first instance
 - staged to reflect the Commission's needs and priorities
 - focused on filling gaps in our knowledge
 - publicly accessible – at least after the determination
- Important preliminary research questions
 - What do we know about the impact of minimum wages on employment and unemployment?
 - Who are the low-paid in Australia and where do they work and live?
 - How are the incomes of the low-paid affected by changes in minimum wages?



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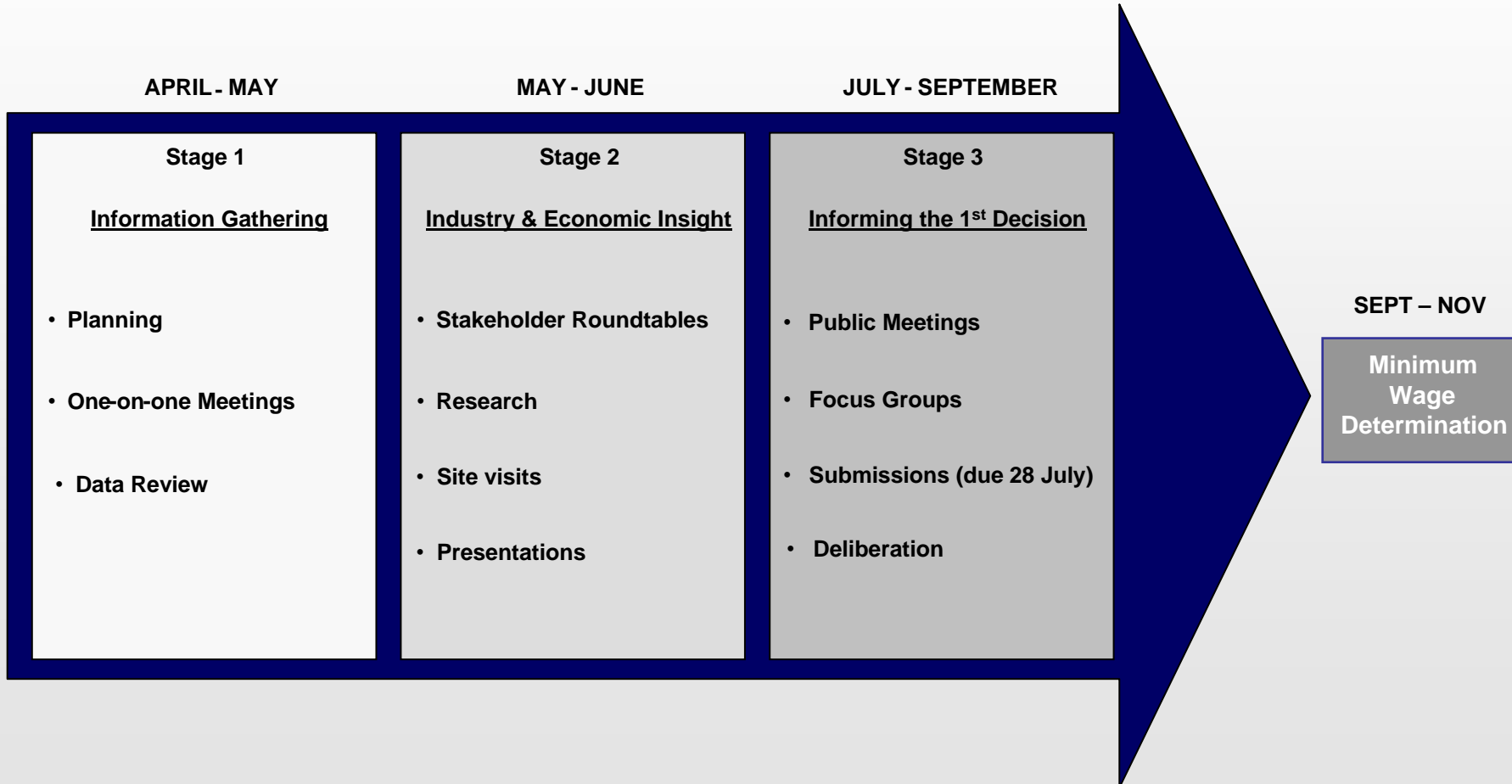
AFPC OPERATIONS





Australian Fair Pay Commission

Timeline





Australian Fair Pay Commission

- The AFPC has commenced its task
 - a call for submissions will be published in the press and on our website www.fairpay.gov.au on 1 May 2006
 - Commissioners commence a round of consultations taking them around Australia between now and mid-August
- The Fair Pay Commission welcomes your input to its deliberations ...