The Australian Fair Pay Commission: Rationale, Operation, Antecedents and Implications

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The Australian Fair Pay Commission (AFPC) is the latest institution to be created by the Federal government in the industrial relations arena and is one of the key pillars of the Workplace Relations Amendment (Work Choices) Act 2005 (Cth) No. 153. In this article we examine the rationale for the establishment of the AFPC, outline the structure and operational details associated with the AFPC and compare it with the UK Low Pay Commission. The creation of the AFPC presumes some failings of the Australian Industrial Relations Commission with respect to its safety net wage case deliberations. We attempt to identify what these failings were. Finally, we consider what the implications of the creation of the AFPC will be. On this point the establishment of the AFPC must be placed in a context of ongoing legislative change to welfare access and in the other major developments in the Work Choices legislation, especially the creation of the Australian Fair Pay and Conditions Standard.