

# Australia: Fair Work Commission orders partial end to punitive “junior rates”

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The decision last month by the Fair Work Commission (FWC) to phase out lower wage rates for workers aged 18–21 in the retail, fast food and pharmacy industries is being falsely promoted by the trade unions and corporate media as a landmark gain for young workers.

In reality, it is an attempt by the pro-business tribunal, working in conjunction with the union apparatus, to head off growing discontent over low pay while ensuring that any changes are delayed, limited and compatible with the needs of employers.

The March 31 ruling by the FWC was issued in response to an application lodged in June 2024 by the Shop, Distributive and Allied Employees Association (SDA), which sought limited adjustments to the system of junior rates. Under the existing, almost Dickensian, laws, young people in many industries can legally be paid a fraction of the adult minimum wage, solely on the basis of their age. In the three sectors covered by the decision, 20-year-olds currently receive 90 percent of the adult wage for the same job, 19-year-olds 80 percent, and 18-year-olds 70 percent.

Under the ruling, workers in these age groups will become eligible for the full adult pay rate, but only after six months of employment with the same employer. Moreover, this change will only start to be implemented in December and then be phased in over the following 2.5 years. The commission also ruled that additional hearings on implementation may be held, opening the door to even further delay.

The FWC decision leaves wage rates unchanged for workers under 18. Seventeen-year-olds will continue to be paid 60 percent of the adult wage, 16-year-olds 50 percent and those under 16 just 45 percent in retail and pharmacy, and 40 percent in fast food. The tribunal rejected outright the SDA’s modest call for the

under-16 rate to be raised to 50 percent and the 17-year-old rate to 75 percent.

FWC deputy president Terri Butler justified this by claiming that “young teenagers who are trying to get their first job, usually wanting to balance work with secondary education, can benefit from being able to accept discount rates compared with older people doing the same job.” That a senior judicial officer of the tribunal openly defends age-based wage discrimination as a benefit to the workers subjected to it highlights the tribunal’s allegiance to big business.

Junior rates have existed in Australia for more than a century, and could not have done so without continuous enforcement by the trade unions. The SDA, with substantial coverage of the major supermarket and fast food chains which employ many young people, has played a leading role. For decades, the union has prevented strikes and industrial action by retail and fast food workers, ramming through one sell-out enterprise agreement after another and enforcing the dire wages and conditions of workers young and old.

That the SDA has moved against junior rates now—partially and belatedly—reflects two intersecting pressures.

The first is the union’s need to present itself as relevant under conditions of mounting anger among young workers. Union membership has collapsed from 51 percent of the workforce in 1976 to just 13 percent in 2024, according to the Australian Bureau of Statistics (ABS). Among young workers, the figures are even more stark: only 3.7 percent of workers aged 15–19 and 7.3 percent of those aged 20–24 are union members. Faced with this haemorrhaging of membership, the SDA’s legal application served above all as a publicity exercise—a show of apparent militancy that cost employers nothing in the short term and

locked any outcome into a years-long legal process.

The second motivation is to promote illusions among young workers that their struggles can be fought through polite appeals and legal manoeuvres, without need for strikes and industrial action. The purpose is to tie young workers to the unions, and the enterprise bargaining and award framework that has been used to suppress the class struggle for decades.

There is a particular urgency to this now. Young workers, and the working class as a whole, face acute material hardship. Years of soaring inflation, well above nominal pay rises, mean the real value of Australian workers' wages, compared with the consumer price index, has fallen to the same level as 15 years ago. Moreover, while average wages have increased by just under 50 percent since 2010, median home prices has risen by 137 percent and rents by 95 percent.

These pressures are intensified for young workers. Youth unemployment is officially now at 10 percent, more than twice the overall unemployment rate. Even when employed, young workers are far more likely to be trapped in insecure work, with casual and part-time roles disproportionately concentrated among younger workers.

The gradual phasing out of junior wages for 18-to-21-year-olds in three industries will do nothing to stop corporations using cut-rate child labour to maximise profit margins. If anything, by leaving under-18 rates untouched, it incentivises businesses to seek out an even younger and cheaper workforce.

The fight against junior rates is not just a matter for young workers. It must be waged as part of a struggle against the broader assault on wages and conditions that is being spearheaded by state and federal Labor governments and enforced by the union apparatus throughout the working class.

This requires the building of rank-and-file committees, controlled by workers themselves and politically and organisationally independent of the SDA or any other union. Through such committees, workers of all ages, throughout retail, fast food and more broadly can discuss and prepare a fight to end all discriminatory wage policies and for the large across-the-board pay rises necessary to make up for years of real wage cuts.

Such a fight will mean a direct confrontation, not just

with corporate employers, but with the whole political establishment, including Labor and the unions, which defend a system built on the exploitation of labour for private profit. The struggle against junior rates is ultimately a struggle against capitalism itself, and it requires a political movement of the working class armed with a socialist program.



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