

Rest Super Submission: Senate Economics Legislation Committee – Treasury Laws Amendment (Payday Superannuation) Regulations 2026 April 2026

Rest welcomes the opportunity to make a submission in response to the Economics Legislation Committee's Inquiry into the *Treasury Laws Amendment (Payday Superannuation) Regulations 2026 (the Regulations)*.

Rest is one of Australia's largest superannuation funds, with around two million members – or around one-in-seven working Australians – and around \$105 billion in assets under management¹. We represent around one million members under the age of 30, who are decades from retirement. Many of our members work in part-time or casual jobs and tend to have lower balances by the time they reach retirement. We put our members needs at the centre of everything we do, and we are deeply committed to maximising the retirement outcomes of our members.

Rest strongly supports the Payday Super reforms. Many Australian workers, including many Rest members, will directly benefit from these important changes, including by unlocking the power of compounding interest returns on more frequent super contributions. Aligning super contributions with payroll cycles will also make it easier for members to track their contributions, which is particularly important for those whose working hours vary week to week. Rest supports the planned commencement of the Payday Super reforms on 1 July 2026.

As members of both the Association of Superannuation Funds of Australia (ASFA) and the Super Members Council (SMC), we also endorse and support the submissions put forward to the Inquiry by ASFA and SMC.

Making super fairer for young people – Super for under 18s

The new Payday Super laws amend the *Superannuation Guarantee (Administration) Act 1992* and repeal sections that created the exclusion for workers under 18 years of age working less than 30 hours per week from being entitled to the super guarantee. Instead, the exclusion is now found in the Regulations in the same form². This Inquiry provides an opportunity to consider the fairness and ongoing appropriateness of the exclusion.

As noted in Rest's Pre-Budget Submission 2026-27, Rest strongly believes that the full benefits of our superannuation system should be extended to all workers, including under 18s who work less than 30 hours a week³.

Rest considers the exclusion outlined in the Regulations for under-18 workers is discriminatory, arbitrary and outdated. The overwhelming majority (93%) of under-18-year-old workers usually work less than 30 hours per week in all jobs, meaning these workers are missing out on compulsory legislated super guarantee contributions⁴.

New Rest modelling shows the significant benefits of extending the super guarantee to all workers under 18. Removing the 30-hour rule for under-18 workers would see⁵:

- a typical 15-year-old Rest member benefit from an estimated \$3,400 extra in super by their 18th birthday, and an estimated **\$18,100 in additional super** by retirement, in today's dollars;

- a typical 16-year-old Rest member benefit from an estimated \$2,400 extra in super by their 18th birthday, and an estimated **\$12,900 in additional super** by retirement, in today's dollars;
- a typical 17-year-old Rest member benefit from an estimated \$1,300 extra in super by their 18th birthday, and an estimated **\$7,000 in additional super** by retirement, in today's dollars.

Extending the full benefits of compulsory super to under 18s would mean around 515,000 workers across Australia would receive overall an extra \$405 million in super contributions in 2025-26⁶. The change would also help in narrowing the gender super gap with industry modelling showing a typical teenage female worker would, on average, experience an even greater benefit than male workers from this change⁷. Women under the age of 18 are less likely to work more than 30 hours per week than men⁸. Female Rest members under 18 typically make smaller monthly super contributions than under-18 male members⁹. By the time they're nearing retirement in their 60s, Rest's female members typically face a gender super gap of 27%¹⁰.

There is overwhelming community support to change the under-18s rule. Rest's research has revealed that¹¹:

- 98% of Rest members said it was important for superannuation to apply to all working Australians regardless of how much they earn or how many hours they work.
- 71% said they supported making super payable to all workers under the age of 18, regardless of how many hours they work. Only 5% opposed it.

Consistent with Rest's longstanding advocacy, we strongly recommend that the Government amend the Regulations to extend the superannuation guarantee to all workers under 18, including those working less than 30 hours per week.

Rest acknowledges the impact that such a reform could have on business, particularly small and medium-sized businesses. Accordingly, in advance of commencing this reform, Rest recommends that the Government engage in detailed consultation, including regarding a multi-year staged and phased transition and implementation of the change.

Uplifting data integrity across the superannuation system

As super funds prepare for Payday Super, the ability of funds to comply with the three-day process to allocate or return contributions will be dependent on being able to ensure that contributions are straight-through processed in all possible cases. This is dependent on data that is complete, accurate and up to date.

We believe that significant opportunities exist for information sharing between government agencies and super funds. While we note that the new Member Verification Service (MVS) will assist validation of first contributions for a new employee, the ATO has rich and more current member data, including data related to work patterns through Single Touch Payroll reporting, and Services Australia has information on when a member has applied for the Age Pension. We believe that future enhancements for efficiency and member transparency are possible by building on these opportunities for improved data-sharing.

As outlined in Rest's Pre-Budget Submission for the 2026-27 Budget, we recommend the Government initiate consultation regarding a data-sharing framework between government agencies and super funds, including consideration of systems, privacy and security impacts. Such a framework should facilitate government sharing relevant and useful data with super funds, seeking to leverage existing data interactions already in place across the system.¹²

We consider that this further work on uplifting data integrity can be pursued separately, to ensure the timely commencement of the Payday Super reforms on 1 July 2026.

Conclusion

Rest thanks the Committee for the opportunity to provide a submission to this important Inquiry.

¹ As at 31 December 2025.

² See Part 4, Division 1, section 11(f) (Exclusions from qualifying earnings – kinds of employees).

³ Rest (2026) Pre-Budget Submission 2026-27. Page 4.

⁴ Super Members Council (2024) Guaranteeing a Super Start to Work: Paying Super Guarantee to all workers under 18 years of age. Page 6.

⁵ The typical 17 year old Rest member is assumed to work 7% of weeks in a year at a rate more than 30 hours a week and 14 hours a week on average, in line with Super Members Council findings in Guaranteeing a Super Start to Work: Paying Super Guarantee to all workers under 18 years of age (2024). The 15-year-old is assumed to work 9 hours a week on average and the 16-year-old 11 hours a week on average. The average weekly total cash earnings for non-managerial employees aged 17 and under is used as a base, with 2023 rates being adjusted to 2025 rates (ABS, (2024). Employee Earnings and Hours, Australia, May 2023). The typical member is assumed to enter the workforce on their birthday and retire at 67, receiving a gross investment return of 7.25%, the average 10-year return for Rest's Growth option, as at October 2025. Investment returns are calculated after tax on investment income, and investment fees and costs and transaction costs, but before the deduction of administration fees. Real wage growth is assumed to be 3.7%, reflecting the assumptions in ASIC's Moneysmart Superannuation Calculator as at the time of the modelling. Administration fees are based on current fee terms of \$1.50/week plus a 10-basis points p.a. asset fee, capped at \$600 p.a. Other administration costs of 0.09% p.a. have not been included as these represent Costs met from reserves, and are deducted from the Fund's reserves throughout the year and not directly from a member's account. Contributions are taxed at the relevant rate of 15%. The analysis is illustrative only. It should not be relied on for the purpose of making a decision in relation to a financial product. Past performance is not a reliable indicator of future performance. Estimates are rounded to the nearest \$100.

⁶ Super Members Council (2025) Closing the gender super gap: Pay super to all under-18 workers. Page 2.

⁷ Super Members Council (2025) Closing the gender super gap: Pay super to all under-18 workers. Information about the modelling can be found on pages 5-7.

⁸ Super Members Council (2025) Closing the gender super gap: Pay super to all under-18 workers. Information about the modelling can be found on page 4.

⁹ Based on monthly contribution data for Rest members aged under 18, as at 31 October 2025.

¹⁰ Based on average balances for Rest members aged 60-64, as at 31 October 2025.

¹¹ Research conducted by Redbridge Group, on behalf of Rest, via an online survey of 1,007 Rest members aged 18 and above between 23 January and 6 February 2025. The data is weighted based on gender and age weights to reflect Rest's membership profile.

¹² Rest (2026) Pre-Budget Submission 2026-27. Page 9.