Rest

Making Super Fairer for Young Workers

Rest Submission to the Senate Economics Legislation Committee Inquiry into the *Superannuation Legislation Amendment (Fair Super for Young Workers) Bill 2026*

September 2026

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Rest welcomes the opportunity to make a submission in response to the Senate Economics Legislation Committee's Inquiry into the *Superannuation Legislation Amendment (Fair Super for Young Workers) Bill 2026* (**the Bill**).

Rest is one of Australia's largest superannuation funds, with over two million members – or around one-in-seven working Australians – and around $112 billion in assets under management[1]. 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 which can make it harder to build super consistently over their working lives. Many of our members also work in the retail and fast-food industries. 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 currently has over 40,000 members who are under 18 years of age[2].

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

Policy context

The recent Payday Super laws amended the *Superannuation Guarantee (Administration) Act 1992* and repealed sections that created the exclusion for workers under 18 years of age working less than 30 hours per week from being entitled to the super guarantee.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, this exclusion is now found in the Regulations in the same form[3].

Rationale for extending the super guarantee to all workers under 18

As outlined in Rest's Pre-Budget Submission 2026-27[4], 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 week.

Rest considers the exclusion for under-18 workers is discriminatory, arbitrary and outdated. While the exclusion of part-time under 18 workers was introduced at a time where contribution rates were low, and fears that smaller balances could be eroded by fees and insurance premiums were real, it is now entirely appropriate that these workers are paid superannuation, regardless of hours worked.

With the Superannuation Guarantee now at 12%, and a range of measures to ensure smaller balances continue to compound, the persistence of the exclusion is discriminatory against young, part-time workers. These measures include administration and investment fees (including indirect costs) being capped at 3% a year for members who have a balance less than $6,000 for their MySuper or choice product, and super fund members under 25 with an account balance of less than $6,000 not normally having insurance premiums automatically included.

The overwhelming majority (91%) 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 contributions[5]. Almost half of all under-18 workers (46%) work as 'Sales Workers', and 77% work in either the Accommodation and Food Services, or Retail Trade industries[6], industries in which many Rest members work.

Removing the exclusion would materially improve retirement outcomes for hundreds of thousands of young Australians. Even relatively small super contributions made during teenage years compound over decades, meaning contributions received early in working life can have a significant positive impact on retirement savings.

We believe that when young members engage with their super they feel more confident about their future. Earlier and more regular engagement can lead to better retirement outcomes. This hugely important change would mean young people start their working lives with a more positive and meaningful engagement journey with our superannuation system.

Removing the discriminatory, arbitrary and outdated under 18s exclusion would further promote the legislated Objective of Superannuation. It would further the "equitable" component of the Objective by treating earnings of under 18s part-time workers in the same way as those of over 18s workers.

Community support for reform

There is overwhelming community support to change the under-18s exclusion. Rest's research has shown that 71% of Rest members support making super payable to all workers under the age of 18, regardless of how many hours they work, while only 5% oppose it[7]. Further, 98% of Rest members believe it is important for superannuation to apply to all working Australians regardless of their age, how much they earn or how many hours they work[8].

Consistent with Rest's longstanding advocacy, we strongly recommend the removal of the discriminatory rule that excludes under 18 workers from the Super Guarantee unless they work more than 30 hours a week for one employer.

Assessing the benefits of extending the super guarantee to all workers under 18

Impact on retirement outcomes

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 mean[9]:

- a typical 15-year-old Rest member benefits from an estimated $3,600 extra in super by their 18th birthday, compounding to an estimated **$20,000 in additional super** by retirement, in today's dollars;
- a typical 16-year-old Rest member benefits from an estimated $2,500 extra in super by their 18th birthday, compounding to an estimated **$14,300 in additional super** by retirement, in today's dollars;
- a typical 17-year-old Rest member benefits from an estimated $1,400 extra in super by their 18th birthday, compounding to an estimated **$7,800 in additional super** by retirement, in today's dollars.

Industry modelling estimates that extending the full benefits of compulsory super to under 18s could mean that around 530,000 workers across Australia receive overall an extra $411 million in super contributions[10].

Improved retirement outcomes for women workers

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 change[11]. Women under the age of 18 are less likely to work more than 30 hours per week than men[12]. Young women are more likely to work as sales workers[13], an occupation undertaken by many Rest female members. Female Rest members under 18 typically make smaller monthly super contributions than under-18 male members[14]. By the time they're nearing retirement in their 60s, Rest's female members typically face a gender super gap of 25%[15].

Broader economic and fiscal benefits

Extending the full benefits of our world-class superannuation system to all workers, including under 18 workers who work less than 30 hours a week, will help more Australians build a dignified retirement. Universal superannuation coverage, over time, supports fiscal sustainability by lowering reliance on the Age Pension. Australia's superannuation system now supports retirement spending worth double the Age Pension each year, significantly lifting retiree living standards and their spending power[16].

Consulting with business and considering a phased transition

Rest has consistently acknowledged the impact that this reform could have on business, particularly small and medium-sized businesses. We also acknowledge that some employers already pay super to under 18s workers, regardless of hours worked per week.

Rest recommends that the Government engage in detailed consultation with businesses, of all sizes, to assess the appropriate timeframe for reform and to manage differing effects across industries and business types. As part of this process, we would support consideration of:

- setting an effective implementation date for the change after an appropriate period of time, to allow businesses appropriate time for the change; and
- a multi-year staged and phased transition which can give businesses of differing sizes the appropriate time to prepare for the change.

Recommendation

> Rest recommends that the superannuation guarantee is extended to all under 18s workers including those working less than 30 hours per week, with detailed consultation with business on an appropriate transition and phasing period.

Conclusion

Rest welcomes the Committee's consideration of this reform and thanks the Committee for the opportunity to provide a submission to this important Inquiry.

[1] As at 30 June 2026.

[2] As at August 2026.

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

[4] Rest (2026) Pre-Budget Submission 2026-27. Page 4. Rest also made a submission to the Senate Economics Legislation Committee Inquiry into the Payday Superannuation Regulations 2026 on this topic.

[5] Super Members Council (August 2026) 530,000 teen workers denied $411 million in super each year, new Super Members Council modelling shows.

[6] Super Members Council (2024) Guaranteeing a Super Start to Work: Paying Super Guarantee to all workers under 18 years of age. Page 8.

[7] 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.

[8] Research conducted by Redbridge Group, on behalf of Rest, via an online survey of 1,450 Rest members aged 18 and above between 25 March and 8 April 2026. The data is weighted based on gender and age weights to reflect Rest's membership profile.

[9] 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 2025 rates being adjusted to 2026 rates (ABS, (2026). Employee Earnings and Hours, Australia, May 2025). The typical member is assumed to enter the workforce on their birthday and retire at 67, receiving an investment return of 7.38% per annum, the average 10-year return for Rest's Growth option, as at August 2026. 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 0.06% 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.

[10] Super Members Council (August 2026) 530,000 teen workers denied $411 million in super each year, new Super Members Council modelling shows.

[11] 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.

[12] 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.

[13] 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 5.

[14] Based on monthly contribution data for Rest members aged under 18, as at 30 June 2026.

[15] Based on average balances for Rest members aged 60-64, as at 30 June 2026.

[16] Super Members Council (2026) Super's double dividend: Retiree super spending now injects $121 billion a year into the Australian economy and supports almost half a million jobs.

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