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Re: Superannuation Legislation Amendment (Fair Super for Young Workers) Bill 2026

The Australian Youth Affairs Coalition (AYAC) is Australia's national peak body representing the needs and interests of young people aged 12-26 years, and the wider youth sector. AYAC provides advice to decision-makers on issues that impact young people and the sector and is unwavering in its commitment to a nation where young people are respected and have the power to lead change for a better world.

We appreciate this opportunity to contribute to the Senate Standing Committee's inquiry on **Superannuation Legislation Amendment (Fair Super for Young Workers) Bill 2026.** AYAC stands in support of the Bill, which, as described in the explanatory memorandum, would ensure that "all employees under the age of 18 are entitled to compulsory employer superannuation contributions, regardless of the number of hours they work."

Recent reforms to the Fair Work framework demonstrate progress in removing unnecessary age-based distinctions in employment conditions that contribute to economic inequality for young Australians. Although these changes are welcome, there is still more that can be done to ensure younger generations can access economic security enjoyed by previous generations. AYAC is hopeful that the Bill introduced by Senator Barbara Pocock will act as another lever to mitigate these barriers and as outlined in the Bill's explanatory memorandum, enable more young people to build savings for a dignified retirement.

Currently employers are only legally required to pay 12 per cent Superannuation Guarantee to workers aged 18 and under if they exceed 30 hours of work in a single week. As young Australians comprise a large portion of the part-time workforce, this can further entrench intergenerational disadvantage, impacting financial security later in life (Super Members Council (SMC) 2025).

A survey conducted by Pyxis Polling found that 73 per cent of Australians support changing the law so that all workers receive superannuation regardless of their age, while 7 per cent disagreed with the proposed change (SMC 2025). These findings indicate majority support among surveyed Australians for removing age-based restrictions on access to compulsory superannuation. SMC also argues that concerns about low-balance superannuation accounts being eroded by fees are less applicable under current arrangements, reducing the strength of this rationale for excluding young workers (SMC 2025).

A superannuation gender gap

Young women are particularly disadvantaged under current superannuation laws. SMC's recent report reveals that young women under 18 are significantly more likely than young men to work part-time, resulting in young women missing out on super contributions from a younger age. Women retire with an average of $61,000 less than men, primarily due to spending more time out of paid work in caregiving and child-raising roles. SMC proposes ***"that amending superannuation laws to include under 18s could see a typical female teenager who works for at least two years benefit from almost $2,500 in their super account by the time they turn 18. This is projected to grow to $11,000 (in today's dollars) as they reach retirement age. A typical teenage man could have $2,000 more super by age 18, and $9,000 more by retirement"*** (p.2, SMC 2025). Making these changes proposed by the Bill will not only reduce age-based financial disparities but could also aid in creating more equitable conditions for women's financial security later in life.

The need for financial literacy for young Australians

Removing the exclusion of under 18s from superannuation should be accompanied by education that helps young workers understand what super is, how contributions accumulate, and how fees and investment choices affect long-term retirement savings. Research by the Financial Basics Foundation (2022) highlights low levels of financial literacy amongst younger Australians with less than half of surveyed young people being able to recall learning about finance during their education. The research found that 94 per cent of participants believed financial literacy should be taught in schools, with 15 per cent currently relying on AI for financial advice. The majority of participants who self-reported as being knowledgeable were frequently taught by parents and caregivers in the home.

This research also reveals how gender socialisation impacts financial literacy. Significantly more male participants reported being taught financial literacy at home when compared to female participants, contributing to negative ramifications on young women's confidence in financial literacy and capability. For instance, female participants were equally as knowledgeable as males when given the chance to discuss financial concepts and reflect on their knowledge; however, their self-reported confidence and attitudes toward their financial understanding was significantly lower than that of males. Combined with existing structural disadvantages resulting from current superannuation legislation, it is critical that additional support for young women is provided in home and education settings to increase confidence with money.

Recommendations:

1. Make the Superannuation Guarantee fairer and simpler by abolishing the 30-hour per week work threshold for workers under 18.
2. Strengthen financial literacy education for young Australians, including education about superannuation, with particular attention to young women's financial confidence and self-efficacy:
    - 2.1 Embed age-appropriate financial literacy, including superannuation, in the Australian Curriculum and provide relevant professional development for pre-service and practicing teachers.
    - 2.2 Provide funding to youth organisations to deliver accessible financial literacy programs in partnership with qualified financial education professionals and youth workers.

AYAC would be pleased to provide further input to the Inquiry or respond to queries relating to the issues discussed in this submission, should this be required.

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References:

Financial Basics Foundation. (2022). *Financial literacy of young Australians*. https://financialbasics.org.au/wp-content/uploads/2023/01/FBF-Financial-Literacy-of-Young-Australians-March-2022.pdf

Super Members Council. (2025). *Closing the gender super gap: Pay super to all under 18 workers*. https://smcaustralia.com/wp-content/uploads/2025/12/251105-SMC-REPORT-U18-GENDER-LENS.pdf