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South Australian Workers Lose \$325 Million in Unpaid Retirement Contributions

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One in four workers in South Australia were underpaid their superannuation (retirement savings contributions) in the 2022–23 financial year, amounting to \$325 million in lost retirement income, according to newly released research.

The Super Members Council (SMC) analyzed data from the Australian Taxation Office (ATO) and found that 210,200 workers in the state were shortchanged an average of \$1,550 each. Over the past six years, unpaid superannuation has cost South Australian workers a total of

\$1.6 billion. The federal electorate of Adelaide recorded the highest amount of unpaid super in the state, totaling \$182 million in a single year.

Nationally, the issue is even more severe. In 2022–23 alone, Australians lost \$5.7 billion in unpaid superannuation, the equivalent of \$110 million each week. The SMC argues that this problem could be addressed through “payday super” laws, which would require employers to pay superannuation at the same time as wages, rather than quarterly.

A survey conducted for the SMC by Pyxis Polling and Insights found that more than 70 percent of Australians want payday super laws to take effect by July 1, 2026, with fewer than one in ten supporting a delay. However, the legislation was not included in the Government’s agenda for the first two sitting weeks of the current Parliament, raising concerns about potential setbacks that could cost workers thousands in future retirement savings.

The SMC has urged both the Government and Parliament to pass the payday super legislation within the first 100 days of the new parliamentary term. The council says such laws would ensure that 3.3 million Australians with unpaid super are paid on time and in full.

In its submission on the draft legislation, the SMC proposed adjustments to assist employers with the transition. These recommendations include extending the payment processing deadline from seven calendar days to seven business days, implementing a phased approach to ATO enforcement in the early stages, and allowing employers to validate an employee’s superannuation account details at any time to prevent payment errors.

According to the ATO, many employers already make more frequent superannuation payments. In 2020–21, 56 percent of small and medium-sized businesses paid super more often than the quarterly minimum, largely due to advances in digital payroll and single-touch payroll reporting systems.

Misha Schubert, CEO of the SMC, said the Government’s lack of urgency on the issue is disappointing. “The average worker in South Australia could be shortchanged more than \$30,000 from their final retirement nest egg if unpaid super isn’t fixed urgently,” Schubert stated. “It’s disappointing the Government didn’t make payday super legislation a priority in the first sitting fortnight of Parliament, when we know millions of everyday Australians are losing \$110 million a week in retirement savings.”

The findings highlight ongoing concerns over wage compliance and retirement security, with calls for immediate legislative action to protect workers from long-term financial loss.