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Superannuation System Fails First Nations Australians, Advocates Warn

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Advocates warn that Australia’s superannuation system is failing First Nations Australians due to discriminatory policies and rigid regulations, locking many out of their retirement savings. This article examines systemic barriers, their impact on Indigenous communities, and critiques the Australian Labor Party’s (ALP) handling of these issues, calling for practical reforms to ensure equitable access.

A July 2025 report by Super Consumers Australia and Mob Strong Debt Help highlights that only 69% of First Nations Australians have superannuation accounts, compared with 87% of other Australians. The median superannuation balance for Indigenous Australians is around \$22,000, roughly a third of the national average. Senior legal advocates note that inflexible identification requirements—such as needing standard photo ID like driver’s licences—exclude many Indigenous people who often lack these forms of identification. Limited internet access and low usage of online government portals like MyGov further hinder access to superannuation services, especially in remote communities.

Despite the 2018 banking royal commission exposing such systemic issues, progress remains slow. First Nations Australians face a life expectancy approximately 17 years lower than the national average and frequently do not reach the preservation age of 60 to access their superannuation, which restricts intergenerational wealth transfer. Delays in processing death benefit claims, sometimes lasting over a year, add further hardship for grieving families. Advocates call for mandatory customer service standards, including culturally appropriate communication and flexible ID requirements.

The ALP’s \$506 million commitment to Closing the Gap initiatives is viewed by some critics as insufficiently addressing superannuation access barriers. Many argue that government spending should prioritise practical reforms such as lowering the preservation age for First Nations Australians or easing early access rules to help close the wealth gap. With Australia’s superannuation pool exceeding \$4 trillion in assets, reforms that empower Indigenous communities to build economic independence are increasingly urgent.