

GENDER LENS ON THE 2024 BUDGET

Key policy in discussion	Superannuation
Portfolio and or agency	Treasury
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Key Portfolio Issues

The primary superannuation measure in this budget is the introduction of superannuation on Commonwealth Paid Parental Leave. This links to [Priority Area 3 in Working for Women: A Strategy for Gender Equality](#).

However the reform does not apply to Paid Parental Leave paid by employers, which is not required to be paid under [Regulation 12](#) of the Superannuation Guarantee (Administration) Regulations 2018.

Budget Measures

Commonwealth Government-Funded Paid Parental Leave – enhancement

Payments (\$m)

	2023-24	2024-25	2025-26	2026-27	2027-28
Australian Taxation Office	-	2.5	16.4	3.2	4.8
Department of Social Services	-	-	-	435.0	583.1
Services Australia	-	9.9	10.4	1.9	1.9
Total – Payments	-	12.4	26.8	440.0	589.9
<i>Related receipts (\$m)</i>					
<i>Australian Taxation Office</i>	-	-	-	65.0	90.0

Source: Budget Paper No 2, p. 166

From 1 July 2025 parents who are eligible for the Commonwealth Paid Parental Leave payment will also be entitled to superannuation paid at the superannuation guarantee rate of 12 per cent (at commencement date).

The National Foundation for Australian Women is a feminist organisation, independent of party politics and working in partnership with other women's organisations. NFAW is dedicated to promoting and protecting the interests of Australian women, including intellectual, cultural, political, social, economic, legal, industrial and domestic spheres.

Gender implications of this budget measure

This measure is long overdue. The [2009 Productivity Commission report: Paid Parental Leave: Support for Parents](#) that led to the introduction of the Paid Parental Leave Scheme recommended that payments be subject to the Superannuation Guarantee after a three year introduction period.

The Women's Budget Statement states that in 2022-23, 99 per cent of Government funded Paid Parental leave and 86 per cent of Employer funded Paid Parental Leave was taken by the mother ([Women's Budget Statement](#), p. 36, p. 30, 2024-25).

However at the time that the Commonwealth Scheme was introduced the Government [amended the Superannuation Guarantee Regulations](#) to provide that salary and wages paid to a person who is on paid parental leave are not included in the Superannuation Guarantee, without distinguishing between the Commonwealth scheme and employer based schemes.

Employees covered by an employment contract or Enterprise Agreement may have the right to Superannuation Guarantee on employer paid parental leave. Eighty six per cent of employers that paid parental leave also paid Superannuation Guarantee ([Women's Budget Statement](#), p. 30, 2024-25). Parents who do not work at one of these employers should also be entitled to Superannuation Guarantee.

Workplace Relations

The Government will also recalibrate the Fair Entitlements Guarantee Recovery Program to pursue unpaid superannuation entitlements owed by employers in liquidation or bankruptcy from 1 July 2024. This will achieve efficiencies of \$13.0 million over four years from 2024–25 (and \$29.9 million over the medium term) through an expected increase in tax receipts of \$63.1 million over four years from 2024–25 (and \$114.4 million over the medium term), with \$44.4 million over four years from 2024–25 (and \$96.9 million over the medium term) expected to be paid to superannuation funds ([Budget Paper No 2](#), p.96, 2024-25).

Gender implications of this budget measure

This fund exists to ensure that when employers go into liquidation employee entitlements are paid out. Under the [Payday Super](#) measures, to be introduced from 1 July 2026, there will be less scope for employers to use superannuation for working capital before remitting it to the employee superannuation fund.

[Women, particularly women from disadvantaged minorities, are particularly vulnerable to wage and superannuation theft](#) as they are overrepresented in casual and part time employment, and have less bargaining power in the event that they are exploited.

Recommendations

NFAW calls for the repeal of Regulation 12(1)(a) of the Superannuation Guarantee (Administration) Regulations 2018 to ensure that parents paid parental leave are entitled to the Superannuation Guarantee regardless of whether that amount is paid under the Commonwealth Paid Parental Leave Scheme or an employer based scheme.