

Unions welcome superannuation boost for parents

The ACTU welcomes the Senate's passage of the Albanese Government's legislation to pay 12 per cent superannuation on Commonwealth Paid Parental Leave payments from 1 July 2025.

Unions have long campaigned for this reform to address the significant gender gap in superannuation savings and to improve the financial security of working Australians, particularly women, in their retirement.

Currently, women retire with an average of 25 per cent less superannuation than men.

One of the main drivers of this inequity is time taken out of the workforce to care for children, which disproportionately impacts women.

Women with children face an average 55 per cent drop in earnings in their first five years of parenthood.

The absence of superannuation payments, and their compounding returns, during periods of parental leave costs Australians tens of thousands of dollars in retirement savings.

This reform will particularly benefit lower-income families who are more likely to be recipients of Commonwealth Paid Parental Leave.

Quotes attributable to ACTU President Michele O'Neil:

"Today is a great day for hundreds of thousands of parents. After years of campaigning, unions have won super on Commonwealth Paid Parental Leave, meaning tens of thousands of dollars more for working Australians in their retirement.

"Having a baby shouldn't cost you a secure and dignified retirement. For too many parents, women particularly, taking time off work to care for children not only impacts their earnings but also their superannuation savings.

"It's grossly unfair that women retire with an average of 25 per cent less super than men. The Albanese Government's reform will go a long way in closing the inequitable gender superannuation gap. No parent should be penalised for taking time out of the workforce to take care of their newborn child.

"Paying super on Commonwealth Paid Parental Leave is a win for parents, a win for gender equality and a win for the economy."

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