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Superannuation guarantee gap

How we estimate and reduce the super guarantee (SG) gap for 2022–23.

Published 3 November 2025

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Overview of super guarantee

The role of super guarantee in the community.

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For 2022–23, we estimate a net super guarantee (SG) gap of \$6.2 billion or 6%. This means we expect to collect approximately 94% of the total theoretical SG liability.

We recognise the importance of SG to the Australian community, and its vital role in providing for people's retirement. Our role is to administer the SG system and the super guarantee charge (SGC).

This gap forms part of our overall tax performance program. Find out more about the concept of tax gaps and the latest gaps available.

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Latest estimate and trends for the super guarantee gap

Compare the 2022–23 super guarantee gap with estimates from previous years.

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2022–23 super guarantee gap estimate

For 2022–23 we estimate a net super guarantee (SG) gap of around \$6.2 billion or 6% of estimated theoretical SG liability. This means approximately 94% of the total theoretical SG liability is expected to be collected.

Our current gap estimate is based on findings from our random enquiry program (REP) for the 2022 financial year. This is the second year of applying a bottom-up approach methodology to estimate the SG gap. See [findings from our REP](#).

Theoretical contributions represent the amount of SG we estimate should theoretically be collected on behalf of employees. It increases with wages in the economy, our estimation of unreported contributions, and is sensitive to changes in legislation. In the 2022–23 year theoretical contributions grew substantially due to an increase in the statutory minimum rate to 10.5% and the removal of the \$450 per month minimum threshold for employer contributions.


Table 1: Super guarantee gap, 2017–18 to 2022–23

Element	2017–18	2018–19	2019–20	2020–21
Population	873,210	857,337	903,261	1,017,939
Gross gap (\$m)	4,499	4,681	5,071	5,651
Amendments (\$m)	812	796	623	616
Net gap (\$m)	3,687	3,885	4,447	5,035
Expected collections (\$m)	59,228	62,216	65,535	67,446
Theoretical contributions (\$m)	62,915	66,101	69,983	72,481

Gross gap (%)	7.2%	7.1%	7.2%	7.8%
Net gap (%)	5.9%	5.9%	6.4%	6.9%

Figure 1 shows the gross and net gap as a percentage over a six year period. The 2020–21 year has the highest gross and net SG gap estimates over this period, but we have now seen consecutive years of reducing gap, both gross and net, approaching pre-COVID-19 levels.

Figure 1: Gross and net tax gap percentage – Superannuation Guarantee, 2017–18 to 2022–23

 The gross and net gap in percentage terms as outlined in Table 1.

The random enquiry program

In our random enquiry program (REP), we randomly select and profile a sample of employers. We estimate the gap by using the incidence rate of adjustments and mean value of amendments resulting from non-compliance. Adjustments refer to changes we make to items on a tax return to correct errors identified in the audit and review process.

This method provides insights into the:

- value of non-compliance
- proportion of the sample, and by extension the population, who are incorrectly reporting.

Findings from the REP

In 2021–22, we undertook 668 REP audits and reviews across a representative sample of the active employer's population. These cases informed our 2022–23 year estimate.

During the selection process, we stratified the population by large and non-large pay as you go (PAYG) withholders, to ensure the overall population was appropriately represented. Employers considered at higher risk of shadow economy behaviour were represented as well as employers with lower risk of shadow economy behaviour.


In the sample, the incidence of adjustment was 41%. The median increase to employers' SG contributions was approximately \$8,000. While individually this amount may not be large, it is extrapolated across a population of over 1 million employers.

What is driving the gap

As this is the second year we have utilised this method, we don't have insights into what might be driving the trend in the gap. However, case intelligence has been gathered allowing us to capture qualitative data that is highly valuable in understanding client behaviour.

The most common non-compliance incidents identified from the REP were:

- late lodgment
- SG underpayment
- SG charge non-payment
- incorrect application of the law.

For previously published tax gap figures, see [Australian Tax Gaps - Data.gov.au](#) 

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ATO action to reduce the super guarantee gap

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Our super guarantee focus

We're committed to actively reducing non-compliance and improving willing participation by employers in the super guarantee (SG) system. We focus on reducing non-compliance in the following 3 ways.

Helping employers get it right

We offer support to make it as easy as possible for employers to understand and comply with their **SG obligations**. This includes face-to-face interactions, phone calls, webinars, website content, printed publications, social media and ATO communities.

At our tax professional open forums and small business conversations held across Australia, we focus on the importance of employers complying with their SG requirements. We remind employers about SG due dates and the consequences of not meeting their quarterly payment and reporting obligations.

To support employers in their crucial first 12 months of business, we provide education and services through our [Guide to starting a business](#) .

Our online tools to help employers get it right include:

- **Super guarantee eligibility decision tool** helps work out if SG is payable.
- **Super guarantee charge statement and calculator tool** helps complete SG charge statements.
- **How to pay super** explains how employers can pay super.
- **Super guarantee employer obligations – online course** is a short online course to improve understanding of obligations and charges.

We're helping small businesses and their advisers to better understand and manage their cash flow.

Helping employees understand their entitlements

Our activities are not limited to employers. We provide online super tools to make it easier for employees to understand and report unpaid SG. We also give employees visibility of contributions made to their super funds through ATO online services.

Tools for employees include:

- **Am I entitled to super?**
- **Estimate my super**

- Unpaid super from your employer gives you steps to follow if your employer is not paying your super correctly
- Report unpaid super contributions from my employer.

Correcting employers who don't get it right

We take the non-payment of SG seriously and have a focused compliance program. Our program provides enforcement action to change employer behaviour and recover unpaid SG.

We address non-compliance through:

- proactively reminding employers of their obligations and to pay on time
- reviewing employee notifications (complaints) about non-payment
- reminding employers via letters, emails and phone calls to check their obligations and lodge SG charge statements if they have not paid the full amounts on time and to the correct funds for their eligible employees
- data analysis to identify potentially non-compliant employers for ATO-initiated reviews and audits.

Employee notifications

We receive notifications from employees who believe their employers have not met their SG obligations.

Review and audits

Transparency of the SG system has been significantly improved for us and employees by:

- employers reporting through Single Touch Payroll
- reporting of contributions by super funds.

We use this information to detect non-compliance and implement preventative and corrective strategies when employers don't meet their obligations.

We analyse a range of ATO internal information on possible unpaid super guarantee and also obtain information from:

- super funds
- unions
- government agencies
- other third parties.

Compliance activities

Improved data matching by the ATO provides greater opportunities to identify employers who are not meeting their SG obligations. This enables us to better target compliance actions focusing on those with more egregious behaviours in a more real-time environment.

Where appropriate, we undertake compliance and debt recovery actions to ensure more employees receive their SG entitlements. In 2022–23, we:

- examined the records of over 14,000 employers to address non-compliance
- issued 80,000 reminder letters to employers at risk of not paying their employees' SG on time
- issued 54,000 prompts to employers who were high risk of paying late or not paying SG for their employees.

We also review compliance in conjunction with pay as you go (PAYG) withholding tax audits targeted across a range of industries, regional areas and individual circumstances.

The SG charge imposes nominal interest and an administrative charge on top of the SG shortfall. An additional charge can impose penalties of up to 200%.

Where employers don't take action to meet their SG obligations, we use firmer action including Directions to pay, director penalty notices, issuing garnishee notices and progressing to legal action including winding up a business.

Additionally, we work across government to support and enhance our current compliance approaches.

Methodology for estimating the super guarantee gap

Learn the method we use to estimate the super guarantee gap.

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What has changed

We are now in the second year of applying a bottom-up approach methodology to inform superannuation guarantee (SG) gap estimate results.

Step 1: Estimate unreported SG contributions

Unreported SG contributions consist of the additional contributions expected to be raised if we undertook compliance activity on the portion of the SG population not covered. It arises from incorrectly reported tax returns as unreported SG liabilities from the active employing entities population.

We use the random enquiry program (REP) compliance outcomes to determine the average amendment amount and average rate of amendments. These results are then extrapolated to the entire active employing entities population to calculate the estimated unreported contributions amount.

Step 2: Estimate non-detection

We account for non-detection by applying an uplift factor to amendments and hidden wages. The impact of non-detection on the SG gap is estimated to be \$2,884 million in 2022–23.

Not all errors are detected through the REP. We account for these by applying a non-detection uplift to the unreported tax liability estimate.

The 2 sources of non-detection for this tax gap relate to:

- SG contributions misreported

- hidden wages.

The unreported tax liability is divided into the above elements, with an appropriate non-detection factor then applied to each portion.

Table 3: Sources of non-detection for the SG gap, 2017–18

Source of non-detection	2017–18 (\$m)	2018–19 (\$m)	2019–20 (\$m)	2020–21 (\$m)	2021–22 (\$m)
SG contributions misreported (excluding hidden wages)	246	254	282	328	360
Hidden wages	1,796	1,891	1,964	2,047	2,195
Total non-detection	2,041	2,144	2,247	2,375	2,555

Step 3: Estimate non-pursuable debt

While the current SG model does not have an estimated non-pursuable debt (NPD) component, going forward with SG assurance intel we will be in a better position to estimate NPD applicable to the SG population.

Step 4: Calculate the gross gap and net gap

We combine the amounts determined above for amendments, unreported tax, and non-detection with non-pursuable debt to obtain the gross and net tax gaps. The net gap is equal to the gross gap less amendments.

We then add the gross gap to the voluntary SG contributions amount to estimate the theoretical SG liability. We calculate the gap

percentages by dividing the gap estimate by the theoretical SG liability.

Summary of the estimation process

Table 2: The estimate amounts for the 6 steps of the SG gap 2022–23.

Step	Description	2017–18	2018–19	2019–20	2020–21
1	Estimate unreported amounts and extrapolate to population (\$m)	2,457	2,536	2,824	3,277
2	Apply estimate for non-detection (\$m)	2,041	2,144	2,247	2,375
3	Estimate for non-pursuable debt (\$m)	n/a	n/a	n/a	n/a
4.1	Gross gap (\$m)	4,499	4,681	5,071	5,651
4.2	Subtract compliance outcomes (\$m)	812	796	623	616
4.3	Net gap (\$m)	3,687	3,885	4,447	5,035
4.4	Add expected	58,416	61,420	64,912	66,830

	collections (\$m)				
4.5	Theoretical liability (\$m)	62,915	66,101	69,983	72,481
4.6	Gross gap (%)	7.2%	7.1%	7.2%	7.8%
4.7	Net gap (%)	5.9%	5.9%	6.4%	6.9%

Note: Non-detection is captured within unreported tax component

Find out more about our overall research methodology, data sources and analysis at [Principles and approaches to measuring gaps](#).

Limitations

There are limitations associated with estimating the SG gap.

The current methodology provides an aggregated estimate of the SG gap.

The assumptions we use to construct our estimate are informed by actual data and expert opinion. The following caveats and limitations apply when interpreting this tax gap estimate:

- The precision of the estimate is limited by the sample size.
- The true extent of non-detection is unknown and is challenging to measure. We assume there will be errors and omissions in our compliance activities due to factors outside our control and limitations in operational capability and capacity.
- The true extent and distribution of hidden wages is challenging to measure. We assume be shadow economy behaviour in this population.

Updates and revisions to previous estimates

Each year we refresh our estimates in line with our annual report. Changes from previously published estimates occur for a variety of

reasons, including incorporating updated estimates of wages published by the Australian Bureau of Statistics.

We also make changes for reasons such as:

- improvements in methodology
- revisions to data
- additional information becoming available.

Figure 2 displays the gross gap and net gap from our current methodology compared to the estimates released in previous years.

Figure 2: Current and previous superannuation guarantee gap estimates, 2009–10 to 2022–23

 Our previous and current net gap estimates as outlined in Table 4.

The data is presented in Table 4.

Table 4: Current and previous net super guarantee gap estimates, 2017–18 to 2022–23

Gap year	2017–18	2018–19	2019–20	2020–21	2021–22	2022–23
2025	5.9%	5.9%	6.4%	6.9%	6.6%	6.6%
2024	5.9%	5.9%	6.3%	6.7%	6.3%	6.3%
2023	5.0%	5.2%	5.2%	5.1%	n/a	n/a
2022	5.0%	5.1%	4.9%	n/a	n/a	n/a
2021	4.0%	3.8%	n/a	n/a	n/a	n/a
2020	4.0%	n/a	n/a	n/a	n/a	n/a

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Reliability of the super guarantee gap estimate


How we make sure the super guarantee gap estimate is reliable.

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We seek feedback and advice about how we estimate the gap from our external and internal subject matter experts. Based on the advice, the reliability rating for this estimate is **medium** with a score of 16.

The estimate draws on the results from the random enquiry program (REP), acknowledging this is the second year of applying a bottom-up approach methodology to inform gap estimate results and may be subject to further enhancements. Unless refreshed periodically, REP outcomes can become less relevant for future year estimates which can reduce their reliability unless alternative data or method (or both) is used.

Figure 3: Reliability rating scale from very low to very high – superannuation guarantee gap

 The latest Superannuation Guarantee gap estimate is rated medium at 16. The rating scale is from very low (1-10), low (11-15), medium (16-20), high (21-25) to very high (26-30).

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