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Super guarantee gap

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Last updated 28 October 2026

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Overview of super guarantee

The role of super guarantee in the community.

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For 2023–24, we estimate a net super guarantee (SG) gap of $7.2 billion or 6.1%. 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 at Australian tax gaps – overview.

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Latest estimate and trends for the super guarantee gap

Understanding the results from the latest super guarantee gap estimate.

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2023–24 super guarantee gap estimate

For 2023–24 we estimate a net super guarantee (SG) gap of around $7.2 billion or 6.1% 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 third year of applying a bottom-up approach methodology to estimate the SG gap. See Findings from the 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 2023–24 year, theoretical contributions continued to grow due to an increase in the statutory minimum rate to 11%.

Table 1: Super guarantee gap, 2015–16 to 2023–24

Element	2015–16	2016–17	2017–18	2018–19
Population	859,479	871,272	873,210	857,337
Theoretical tax	59,214	61,044	63,911	66,074
Voluntarily reported	55,061	56,738	59,393	61,420
Add amendments	232	464	531	557
Total reported	55,620	57,454	60,187	62,222
Subtract long-term non-payment	327	252	263	245

Expected collections	55,293	57,202	59,924	61,977
Net gap ($m)	3,921	3,841	3,987	4,098
Net gap (% of theoretical tax)	6.6%	6.3%	6.2%	6.2%
Assessment gap ($m)	3,594	3,589	3,724	3,853
% of theoretical	6.1%	5.9%	5.8%	5.8%
Payment gap ($m)	327	252	263	245
% of theoretical	0.6%	0.4%	0.4%	0.4%
Gross gap ($m)	4,153	4,305	4,518	4,655
Gross gap (% of theoretical tax)	7.0%	7.1%	7.1%	7.0%

Figure 1 shows the gross and net gap as a percentage over a 9–year period. The 2020–21 year has the highest gross and net SG gap estimates over this period. We have now seen consecutive years of reducing gap, both gross and net, approaching pre-COVID-19 levels.

Figure 1: Gross and net gap percentage – super guarantee, 2015–16 to 2023–24


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 2023–24 financial 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 third year we have utilised this method, we don't have contemporary 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 SG payment

- SG non-payment or underpayment
- super guarantee charge (SGC) 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

How we support our clients to meet their super guarantee obligations.

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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 super obligations. This includes face-to-face interactions, phone calls, webinars, website content, printed publications, social media and ATO Community.

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 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 super right include:

- Super guarantee charge statement and calculator tool – assists in the completion of super guarantee charge (SGC) statements for quarterly periods.
- Work out if you have to pay super – helps employers identify whether their workers are eligible for super guarantee.
- How to pay super – explains how employers can pay super.
- Super guarantee employer obligations – online course – a short online course to improve understanding of employer's super obligations and charges.

We're also helping small businesses and their advisers to better understand and manage your business 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 their super entitlements and report unpaid SG. We also give employees visibility of contributions made to their super funds through ATO online services.

Super tools for employees include:

- Estimate my quarterly super – helps employees estimate how much super they should receive from their employer.
- Super from your employer – explains employees' super entitlements and what to expect from their employer.
- 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 – allows employees to tell us when they believe their employer has not paid their correct super contributions.

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 the full amount, on time and to the correct fund
- reminding employers via letters, emails and phone calls to check their payment and reporting obligations. Lodge SGC statements (for quarterly periods) or pay directly to the fund under Payday Super, if they have not paid the full amounts on time
- data analysis to identify potentially non-compliant employers for reviews and audits.

Employee referrals

We receive notifications from employees who believe their employers have not met their SG obligations. We will consider compliance action for referrals together with the broader non-compliant employer population.

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 our internal information on possible unpaid SG, and also receive information from:

- super funds
- representative organisations
- government agencies
- other third parties.

Compliance activities

Our improved data matching 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 2023–24, we:

- examined the records of over 23,600 employers to address non-compliance
- issued 100,000 reminder letters to employers at risk of not paying their employees' SG on time
- issued 67,000 prompts to employers who were at 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 SGC imposes nominal interest and an administrative charge on top of the quarterly 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
- 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.

Last updated 28 October 2026

What has changed

We are now in the third year of applying a bottom-up approach methodology to inform super 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. We then extrapolate these results 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 $3,123 million in 2023–24.

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 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 super guarantee

Source of non-detection	2015–16 ($m)	2016–17 ($m)	2017–18 ($m)	2018–19 ($m)	201 ($
SG contributions misreported (excluding hidden wages)	226	236	247	251	2
Hidden wages	1,669	1,710	1,796	1,891	1,9
Total non-detection	1,895	1,946	2,043	2,142	2,2

Step 3: Estimate long-term non-payment

Before this year, we did not include an estimate for non-pursuable debt. Going forward, we include an estimate of long-term non-payment. This represents the employee entitlements of super guarantee charge (SGC) statements that we don't expect to be collected over its life cycle.

For more information on this estimate process and methodology, see Payment gap.

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 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 4: The estimate amounts for the 6 steps of the super

Step	Description	2015–16	2016–17	2017–18	2018–19
1	**Estimate unreported amounts and extrapolate to population ($m)**	2,258	2,359	2,475	2,513
2	**Apply estimate for non-detection ($m)**	1,895	1,946	2,043	2,142
3	**Estimate for long-term non-payment ($m)**	327	252	263	245
4.1	**Gross gap ($m)**	4,153	4,305	4,518	4,655
4.2	**Subtract compliance outcomes excluding LTNP ($m)**	232	464	531	557

4.3	**Net gap ($m)**	3,921	3,841	3,987	4,098
4.4	**Add expected collections excluding LTNP ($m)**	55,293	57,202	59,924	61,977
4.5	**Theoretical liability ($m)**	59,214	61,044	63,911	66,074
4.6	**Gross gap (%)**	7.0%	7.1%	7.1%	7.0%
4.7	**Net gap (%)**	6.6%	6.3%	6.2%	6.2%

Note: Non-detection is captured within the 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 gap estimate:

- The precision of the estimate is limited by the sample size.
- The 2022 REP was conducted in a year we consider having been more compliant than years preceding or following due to the requirement to be up to date with obligations to access COVID-19 stimulus, leading to an increase in compliant behaviour. As we have kept the 2022 REP as the base of our compliance base, extrapolating this behaviour onto years that may have been less compliant gives a possibility that the gap is understated.

- The REP takes an employer level approach to measuring non-compliance. An employee level approach to measurement would allow us greater insight into behaviour.
- The true impact of employers who exceed the minimum statutory contribution compensating for the contributions of those who do not meet the minimum threshold is difficult to quantify. It is likely that this element is understated and would increase the gap if we are able to fully correct for this effect.
- 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 the shadow economy behaviour in this population.

Some of these limitations such as non-detection and hidden will remain challenging to measure regardless of methodology, but we can address some of these issue by shifting our approach. Going forward we intend to review our methodology and consider the appropriateness of Single Touch Payroll data to provide insight into the gap from an employee level. This may allow us to address some limitations, provide additional insight and improve accuracy.

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 2023–24



This data is presented in Table 4.

Table 4: Current and previous net super guarantee gap estimates, 2018–19 to 2023–24

Gap year	2018–19	2019–20	2020–21	2021–22	2022–23	2
2026	6.2%	6.5%	7.1%	6.7%	6.2%	
2025	5.9%	6.4%	6.9%	6.6%	6.0%	
2024	5.9%	6.3%	6.7%	6.3%	n/a	
2023	5.2%	5.2%	5.1%	n/a	n/a	
2022	5.1%	4.9%	n/a	n/a	n/a	
2021	3.8%	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.

Last updated 28 October 2026

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 the super guarantee gap estimate is **medium** with a score of **16**.

The estimate draws on the results from the random enquiry program (REP), acknowledging this is the third 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 reliability rating is medium at 16 for the current super guarantee gap estimate. The rating scale includes very low (1–10), low (11–15), medium (16–20), high (21–25) and very high (26–30).

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