



Australian Government

Australian Government response to the
Senate Economics Legislation Committee report:
Inquiry into the Treasury Laws Amendment (Better
Targeted Superannuation Concessions and Other
Measures) Bill 2023

April 2026

Introduction

The Australian Government welcomes the opportunity to respond to the recommendations of the Senate Economics Legislation Committee (the Committee) arising from its inquiry into the Treasury Laws Amendment (Better Targeted Superannuation Concessions and Other Measures) Bill 2023.

The Government notes that the Bill lapsed with the dissolution of the 47th Parliament.

The Government's responses to the Committee's final report recommendations, together with responses to the dissenting reports of the Coalition and the Australian Greens, are set out in subsequent pages.

Treasury Laws Amendment (Building a Stronger and Fairer Super System) Act 2026 and Superannuation (Building a Stronger and Fairer Super System) Imposition Act 2026

On 10 March 2026, the Treasury Laws Amendment (Building a Stronger and Fairer Super System) Bill 2026 and the Superannuation (Building a Stronger and Fairer Super System) Imposition Bill 2026 passed both Houses of Parliament. The Bills received Royal Assent on 13 March 2026.

Together, the Bills constitute a revised version of the Government's Better Targeted Superannuation Concessions policy, which amongst other measures was the subject of the Committee's inquiry. Key changes include:

- adding a second threshold with a headline rate of 40 per cent – this rate will apply to earnings on the part of an individual's total super balance above \$10 million
- indexing the thresholds consistent with the approach for the transfer balance cap
- moving to an earnings approach that aligns with existing income tax concepts
- changes to exclude capital gains accrued before the start of the policy
- applying commensurate treatment to defined benefit interests
- delaying the start date to 1 July 2026.

The Bills also support low income workers to build retirement savings by ensuring they receive a fairer tax concession on their superannuation contributions. This is achieved by aligning the Low Income Superannuation Tax Offset with broader income tax and superannuation settings.

Treasury Laws Amendment (Strengthening Financial Systems and Other Measures) Bill 2025

On 27 November 2025, the Treasury Laws Amendment (Strengthening Financial Systems and Other Measures) Bill 2025 passed both Houses of Parliament. It received Royal Assent on 4 December 2025. The Bill contained amendments that included:

- reducing the frequency of the Financial Regulator Assessment Authority's (FRAA) reviews of the Australian Securities and Investments Commission (ASIC) and the Australian Prudential Regulation Authority (APRA) to every five years; and
- allowing vacancies to arise on the FRAA from time to time between reviews.

Treasury Laws Amendment (Payments System Modernisation) Bill 2025

On 4 September 2025, the Treasury Laws Amendment (Payments System Modernisation) Bill 2025 passed both Houses of Parliament. It received Royal Assent on 19 September 2025. This Bill contained amendments expanding the coverage of the payments regulatory framework.

Key changes to the Bill included:

- making rules and designations made by the Reserve Bank to be subject to a parliamentary disallowance process.

Response to the recommendations made by the Committee

Recommendation 1

The Committee recommends that the bills be passed.

Australian Government response

The Government **notes** this recommendation.

On 10 March 2026, the Treasury Laws Amendment (Building a Stronger and Fairer Super System) Bill 2026 and the Superannuation (Building a Stronger and Fairer Super System) Imposition Bill 2026 passed both Houses of Parliament. The Bills received Royal Assent on 13 March 2026.

On 27 November 2025, the Treasury Laws Amendment (Strengthening Financial Systems and Other Measures) Bill 2025 passed both Houses of Parliament. It received Royal Assent on 4 December 2025. The Bill contained amendments reducing the frequency of FRAA reviews of ASIC and APRA to every five years.

On 4 September 2025, the Treasury Laws Amendment (Payments System Modernisation) Bill 2025 passed both Houses of Parliament. It received Royal Assent on 19 September 2025. The bill contained amendments expanding the coverage of the payments regulatory framework.

Response to the recommendations made by the dissenting report of the Coalition

Recommendation 1

That the Superannuation (Better Targeted Superannuation Concessions) Imposition Bill 2023 not be passed; and that Schedules 1 to 3 of Treasury Laws Amendment (Better Targeted Superannuation Concessions and Other Measures) Bill 2023 not be passed.

Australian Government response

The Government **notes** this recommendation.

On 10 March 2026, the Treasury Laws Amendment (Building a Stronger and Fairer Super System) Bill 2026 and the Superannuation (Building a Stronger and Fairer Super System) Imposition Bill 2026 passed both Houses of Parliament. The Bills received Royal Assent on 13 March 2026.

Recommendation 2

That the amendment to the Financial Regulator Assessment Authority Act 2021 in Schedule 5 of Treasury Laws Amendment (Better Targeted Superannuation Concessions and Other Measures) Bill 2023 not be passed.

Australian Government response

The Government **notes** this recommendation.

On 27 November 2025, the Treasury Laws Amendment (Strengthening Financial Systems and Other Measures) Bill 2025 passed both Houses of Parliament. It received Royal Assent on 4 December 2025. The Bill contained amendments reducing the frequency of FRAA reviews of ASIC and APRA to every five years.

This change allows for more comprehensive reviews by the FRAA. It also provides the regulators with sufficient time to respond and implement FRAA recommendations between reviews.

Recommendation 3

That the amendments to the Payment Systems (Regulation) Act 1998 in Schedule 8 of Treasury Laws Amendment (Better Targeted Superannuation Concessions and Other Measures) Bill 2023 be amended so that rules or designations made by the Reserve Bank under the Act are disallowable.

Australian Government response

The Government **notes** this recommendation.

On 4 September 2025, the Treasury Laws Amendment (Payments System Modernisation) Bill 2025 passed both Houses of Parliament. It received Royal Assent on 19 September 2025. This Bill contained changes to make rules and designations made by the Reserve Bank to be subject to a parliamentary disallowance process.

Response to the recommendations made by the dissenting report of the Australian Greens

Recommendation 1

The threshold should be lowered from \$3 million so that super balances over \$2 million are liable for the 30 per cent tax rate, indexed in line with inflation.

Australian Government response

The Government **notes** this recommendation.

On 10 March 2026, the Treasury Laws Amendment (Building a Stronger and Fairer Super System) Bill 2026 and the Superannuation (Building a Stronger and Fairer Super System) Imposition Bill 2026 passed both Houses of Parliament. The Bills received Royal Assent on 13 March 2026.

The Government notes that the Bills provide for the \$3 million and \$10 million thresholds to be indexed to the Consumer Price Index in \$150,000 and \$500,000 increments, consistent with the indexation arrangements for the transfer balance cap.

Recommendation 2

The Government prepare comprehensive legislation to restore superannuation's purpose to support working people's dignified retirement by removing and reducing all the tax settings that disproportionately benefit the highest income earners and asset owners.

Australian Government response

The Government **notes** this recommendation.

On 10 March 2026, the Treasury Laws Amendment (Building a Stronger and Fairer Super System) Bill 2026 and the Superannuation (Building a Stronger and Fairer Super System) Imposition Bill 2026 passed both Houses of Parliament. The Bills received Royal Assent on 13 March 2026.

The Government notes that the Bills reduce the tax concessions available to individuals with large superannuation balances by applying a headline rate of 30 per cent to earnings attributable to balances between \$3 million and \$10 million, and a headline rate of 40 per cent to earnings attributable to balances above \$10 million.

The Bills also support low income workers to build retirement savings by ensuring they receive a fairer tax concession on their superannuation contributions. This is achieved by aligning the Low Income Superannuation Tax Offset with broader income tax and superannuation settings.

Recommendation 3

To ensure the regulations for taxing defined benefit schemes are not disallowed in the Senate, the government must ensure the actuarial formula does not result in women being taxed higher than men as a result of their longer life expectancy.

Australian Government response

The Government **notes** this recommendation.

On 10 March 2026, the Treasury Laws Amendment (Building a Stronger and Fairer Super System) Bill 2026 and the Superannuation (Building a Stronger and Fairer Super System) Imposition Bill 2026 passed both Houses of Parliament. The Bills received Royal Assent on 13 March 2026.

The Government notes that the supporting Regulations adopt gender-neutral valuation mortality rates to avoid any inequitable outcomes based on gender.

Recommendation 4

To ensure financial risks in the superannuation system aren't amplified by combining taxes on unrealised capital gains with borrowing by super funds, this Bill should only pass the Senate if the government addresses the concerns regarding the exemption on the prohibition for super funds to borrow to finance investments in section 67A of the Superannuation Industry (Supervision) Act 1992 on a prospective basis, as recommended in the Murray Review and subsequent reviews by the Council of Financial Regulators.

Australian Government response

The Government **notes** this recommendation.

On 10 March 2026, the Treasury Laws Amendment (Building a Stronger and Fairer Super System) Bill 2026 and the Superannuation (Building a Stronger and Fairer Super System) Imposition Bill 2026 passed both Houses of Parliament. The Bills received Royal Assent on 13 March 2026.

This Bill did not include amendments to the existing prohibition on superannuation funds borrowing to finance investments.
