

OpenVoiceNews Australia

Transparent. Unbiased. Yours.

Growing Labor Rift Over Taxing Unrealized Superannuation Gains

July 23, 2025

— Categories: General News



Australian Labor Members of Parliament are reportedly opposing the core idea of taxing unrealised capital gains but are supporting Treasurer Jim Chalmers' proposal as a political and fiscal necessity.

Despite serious misgivings, senior figures within the Australian Labor Party are falling in behind Treasurer Jim Chalmers' proposed tax on unrealised capital gains, an idea many of them reportedly oppose in principle but accept out of necessity.

The plan would see certain large investors and funds taxed on the increase in value of their assets, even before those assets are sold. It's a controversial move, touching on the long-

debated idea of whether the government should collect tax on “paper profits” increases in asset values that haven’t yet been realised through an actual transaction.

According to media reports, many Labor Members of Parliament (MPs) are uncomfortable with the core idea of the policy. One unnamed MP was quoted as saying they “hate the principle” of taxing unrealised gains, believing it could set a risky precedent and raise fairness concerns. However, the same sources indicate that political realities are forcing the party to support the Treasurer’s plan, at least for now.

Treasurer Jim Chalmers has defended the measure as part of the government’s broader strategy to strengthen the tax system and increase revenue to fund key services. Chalmers argues that targeting untaxed wealth held by a small number of large investors is a fair and necessary step to ensure that all Australians contribute to the nation’s finances in an equitable way.

Supporters within the party acknowledge the political risks but say the proposal is a pragmatic move in the face of rising fiscal pressures. With inflation, public debt, and long-term funding demands continuing to mount, they believe the government must look at all available options to raise revenue without overburdening working families and small businesses.

The debate highlights the growing tension between progressive tax reform and political caution within Labor ranks. The party is aware that any new tax measure, especially one as unconventional as taxing unrealised capital gains, could trigger backlash from voters and business groups. Yet, avoiding tough fiscal decisions could expose the government to criticism for lacking the resolve to manage the economy responsibly.

In the end, the measure appears to be moving forward, not because it is popular among Labor MPs, but because it is seen as necessary. The government is expected to consult widely and possibly adjust the details of the proposal before it is finalised, in an attempt to strike a balance between fairness, economic impact, and political viability.

For now, Labor MPs are holding their noses and backing the plan viewing it less as a bold ideological move and more as a practical solution in challenging times.