Superannuation Support for Business Growth in Australia

Research Paper

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Executive Summary

This paper examines the sources of, and intermediaries for, the funding of new fixed capital investment by Australia's business sector. The paper examines the role of superannuation as a key source of business funding in the context of Australia's broader financial system. This paper also highlights some impediments to the efficient allocation of funding and the implications for future new fixed capital investment.

For Australia's business sector, the bulk of funding for new fixed capital investment – and, by extension, capital deepening – is intermediated via Australia's financial system. Capital deepening largely relates to improvements to an economy's stock of productive capital over time, where new capital embodies productivity-enhancing technologies.

For Australia's business sector, the total stock of accumulated funding (liabilities) from domestic sources stands at $3.1 trillion – largely used to fund new investments in fixed capital.

The bulk of domestic funding for business is provided by banks and institutional superannuation funds: 44% and 28% respectively. Self-managed superannuation funds account for a further 11%. Superannuation's total funding share has risen significantly over the past two decades – from 23% to 39%

For business funding that is intermediated via Australia's $4.8 trillion managed-funds industry, institutional superannuation accounts for 75% – up from 55% two decades ago.

Compared with other advanced economies, institutional superannuation – that is, Australia's private pension system – plays a relatively large role as a source of institutional funding for business.

The form and destination of funding from institutional superannuation reflects asset allocation decisions at the product/option level – made in the best financial interests of members. As such, superannuation's aggregate, optimal asset allocation may not necessarily align with the overall funding needs of the Australian business sector.

While institutional superannuation will remain a vital funding source for the real economy for decades to come, Australia's business sector would benefit from greater diversity of financing options to better support new fixed capital investment.

1

The role of business investment in the Australian economy

New investments in fixed capital by the Australian business sector underpin Australia's long-term productivity growth.

Australia's business sector generates output of about $2 trillion per year, equivalent to around 75% of GDP, and employs around 12 million people.[1] Business entities that operate in Australia range from sole traders and start-up enterprises, to listed ASX200 companies and local subsidiaries of multi-national corporations. Business entities also include specialised corporate structures that facilitate property and infrastructure construction, and research and development activity.

Currently, each year, Australia's business sector makes new investments of fixed capital that equate to around 12% of annual GDP, or around 15% if (largely construction-related) investment on behalf of government is included.[2] The latter figure includes all private-sector investment made as part of public-private partnerships (PPPs), while the former contains a portion.[3]

Business investment involves more than just additions to productive capacity – new fixed capital investment can relate to:

- more efficient production and provision of goods and services
- producing new or better-quality goods and services
- more efficient movement of goods, services and people – such as improved infrastructure, including toll-roads and airports
- more efficient facilitation of economic activity – such as improved commercial buildings and logistical hubs.

As such, much new fixed capital investment embodies new technologies – whether new investment is tangible (e.g. constructed assets, machinery or equipment), or intangible (e.g. computer software). New investment also relates specifically to the development and commercialisation new technologies, which ultimately may be embodied in future new fixed capital investments.

From a whole-of-economy perspective, new fixed capital investment that leads to rising levels of capital per worker underpins productivity growth. So-called 'capital deepening' largely reflects:

- expansion of more capital-intensive industries at the expense of less capital-intensive industries; and (more importantly)
- diffusion of new technologies that are embodied in new fixed capital *within* industries.

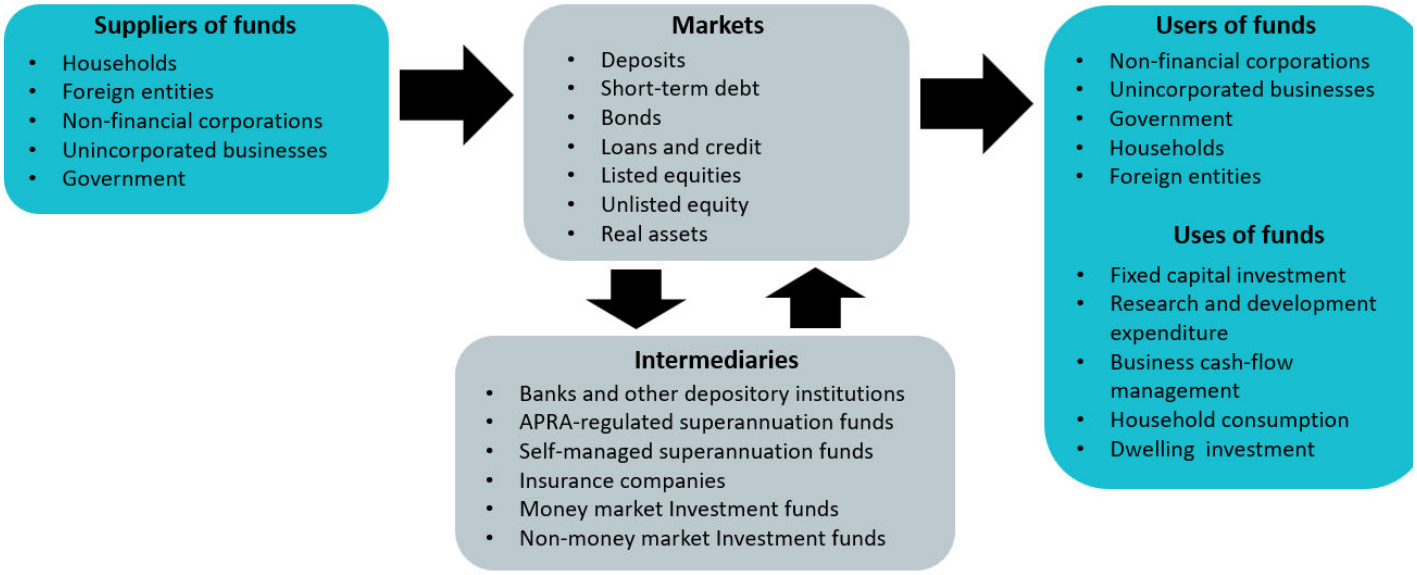
Productivity gains – when broadly distributed – are ultimately reflected in higher living standards across the Australian population.

For Australia's business sector, the bulk of funding for new fixed capital investment is intermediated via Australia's financial system. Figure 1 shows a high-level representation of the supply and use of funds in the economy and the role of the financial system.[4]

In essence, suppliers of funds provide savings to the users of funds via financial markets and intermediaries – where the latter includes superannuation funds. For the business sector, sources of funding include

internal funding – such as the retained earnings of corporate entities, and family financing of small businesses.

Figure 1: Supply and use of funds in the Australian economy



Source: The Australian Government (Financial System Inquiry – Interim Report).

2

Fixed capital investment by business – recent trends

Fixed capital investment undertaken by Australia's business sector totaled around $330 billion in FY2024-25. If fixed capital investment made by the business sector *for* the public sector is included, FY2024-25 investment totaled around $400 billion.

With respect to fixed capital investment undertaken by Australia's business sector *for the business sector*, the key categories of business investment are:

- Constructed non-dwelling assets, which comprises all non-dwelling buildings and all structures – where the latter includes: mines, roads, railways, ports, stadiums, and ICT and energy infrastructure ($144 billion in FY2024-25).
- Machinery and equipment ($111 billion in FY2024-25).
- Computer software ($39 billion in FY2024-25).
- Capitalised expenditure on research and development, and on mineral and petroleum exploration ($28 billion in FY2024-25).
- Cultivated biological resources ($4 billion in FY2024-25).[5]*

In terms of its share of total economic activity, fixed capital investment undertaken by the business sector, *for the business sector*, equated to 11.9% of GDP in FY2024-25. This level is 1.4 percentage points below the 50-year average of 13.3% of GDP.[6]

Chart 1 (next page) shows the level of fixed capital investment, as a share of GDP, for the three key sub-sectors of Australian business entities.

- Incorporated businesses, non-mining (7.8% of GDP in FY2024-25).
- Incorporated businesses, mining (2.8% of GDP in FY2024-25).
- Unincorporated businesses (1.3% GDP in FY2024-25).[7]

Since the start of the current century, the total quantum of business investment has been driven by the mining sector. Over the ten years to FY2012-13, investment by incorporated mining businesses increased from $19 billion to $136 billion, or from 2.2% of GDP to 8.9% of GDP. Mining-related investment has since fallen to around pre-mining boom levels, as a share of GDP.[8]

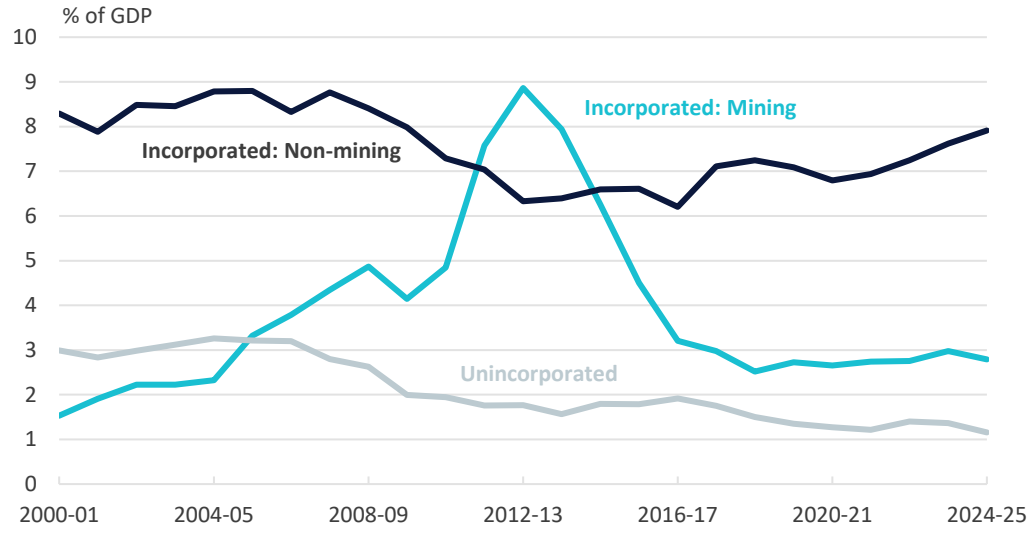
The broad macroeconomic effects of the mining-boom period, such as an elevated exchange rate, led to some crowding-out of investment by non-mining incorporated businesses – with reached a low of 6.2% of GDP in FY2016-17. Since then, investment by non-mining incorporated businesses has been growing faster than the broader economy – but remains below its pre-mining-boom levels as a share of GDP.

For unincorporated businesses, total investment as a share of GDP has been trending down since the start of the century. This, in part, reflects a greater tendency for new business entities to incorporate. In addition, the COVID-19 shock disproportionately affected smaller businesses – which exacerbated the secular decline in investment (as a share of GDP).[9]

As is described in Section 4, the source and form of funding for new fixed capital investment can differ across the different types of business entity.

**Cultivated biological resources yield repeat products. This includes: livestock for breeding, or for producing dairy products or wool; and orchards and vineyards for producing fruits, nuts etc.*

Chart 1: New fixed capital investment, by business sub-sector



Source: ABS and ASFA.

Funding for Australia's non-financial business sector

3

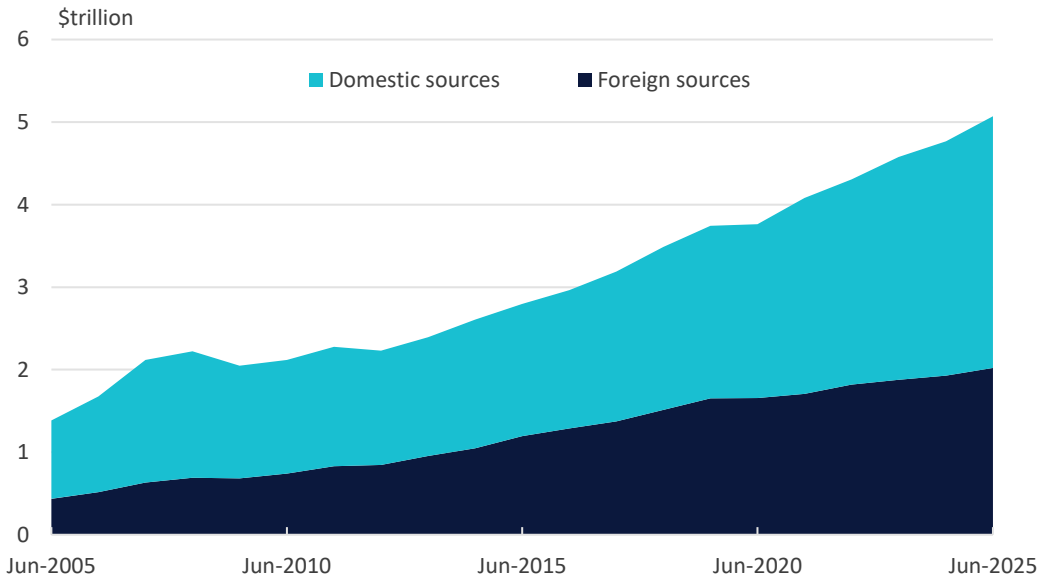
The accumulated stock of funding for the Australian *non-financial* business sector – from sources that are external to the sector – totaled $5.1 trillion by the end of June 2025.

The accumulated stock of funding for the Australian non-financial business sector is equivalent to the total stock of financial liabilities of the non-financial business sector to other sectors of the Australian economy and to foreign entities.

- For any year, an increase in financial liabilities reflects new funding *less* cessation of existing funding.
- From here on in this paper, the term 'business sector' *excludes* financial corporations (including banks), which are treated as intermediaries.

The accumulated stock of funding from domestic sources was $3.1 trillion at the end of June 2025, while the stock of funding from foreign sources was $2.0 trillion (Chart 2).[10]

Chart 2: Accumulated funding liabilities of the non-financial business sector



Source: ABS and ASFA.

With respect to domestic sources of accumulated funding, Chart 2 excludes funding from within the non-financial business sector: between non-related business entities, but also where a business uses its retained earnings. Chart 2 also excludes direct funding from households to businesses (e.g. family financing of small businesses).

Turning to foreign sources of accumulated funding, around 10% relates to internal funding provided by foreign-based, parent entities to their Australian-based subsidiaries or branches.[11]

A broader point is that the quantum of accumulated foreign funding for the non-financial business sector largely reflects structural macroeconomic factors. In particular, year-on-year, the Australian economy has

been a net importer of financial capital for most of its post-European settlement history. This reflects the fact that, year-on-year, Australia's level of national saving has been insufficient to fund realised domestic investment – where the difference is reflected in Australia's persistent current account deficit.[12]

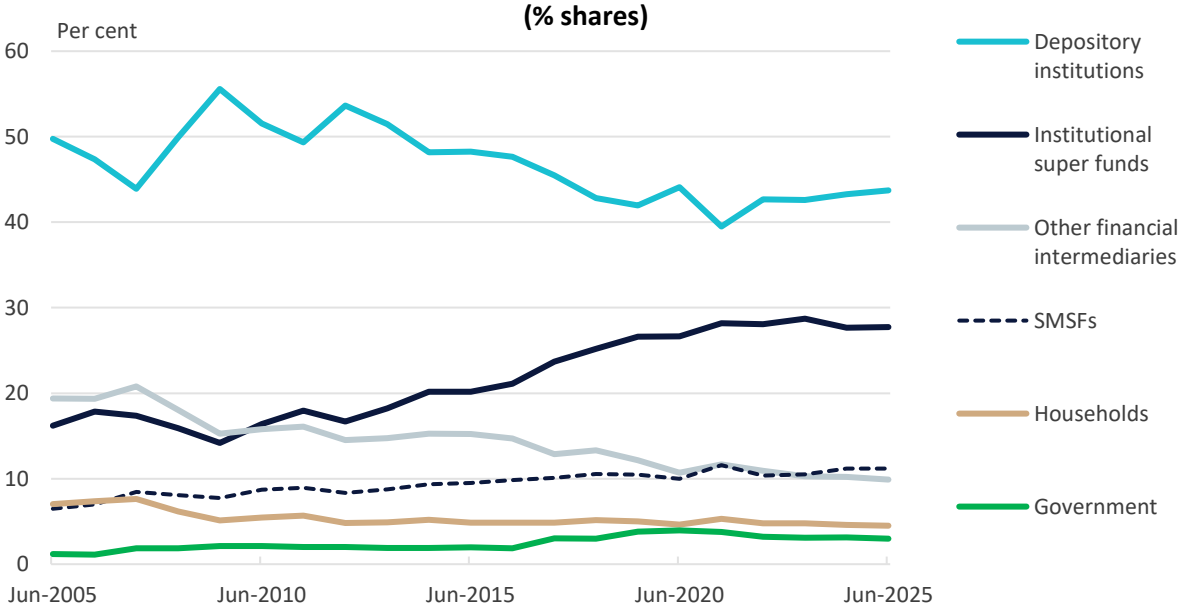
Domestic sources of funding

With respect to domestically-originated funding, Chart 3 shows accumulated funding liabilities of the non-financial business sector by key funding source over time. Table 1 (next page) shows current funding shares with respect to the non-financial business sector as a whole, but also for the *incorporated* non-financial business sector (a sub-sector of the former).[13]

The bulk of funding for the non-financial business sector is provided by depository institutions – largely banks, but also credit unions and the like – and institutional superannuation funds. Together, these currently account for 71% of the accumulated funding liabilities of the business sector. Self-managed superannuation funds (SMSFs) account for a further 11%.[14]

- The shares for institutional superannuation funds and SMSFs *include* indirect investments made via other types of investment vehicle. This reduces the share for 'other financial intermediaries' in Chart 3 and Table 1.

Chart 3: Accumulated *domestic* funding liabilities of the non-financial business sector (% shares)



Source: ABS and ASFA.

As a group, depository institutions are the largest funding source. For the whole non-financial business sector, depository institutions account for 44% of funding liabilities – largely in the form of long-term loans.[15]

- For incorporated businesses, depository institutions account for 36% of funding liabilities.
- For unincorporated businesses, depository institutions are *the* crucial funding source – accounting for more than 95% of accumulated funding liabilities.[16]

Institutional superannuation funds are an increasingly important funding source – currently accounting for 28% of accumulated funding for the business sector as a whole. Funding is almost exclusively directed to incorporated businesses rather than unincorporated businesses.[17]

- The vast bulk of funding from institutional superannuation funds is provided as either listed or unlisted equity. This includes shares listed on the ASX, but also unlisted equity stakes in companies (including venture capital) and in specialised corporate structures that hold real assets – particularly commercial property and infrastructure.

'Other financial intermediaries' include life and non-life insurance companies, as well as retail and wholesale investment funds that invest on behalf of individuals and institutional investors. Together these funding sources account for 10% of funding liabilities of the whole business sector, and 11% of funding for incorporated businesses. Funding for unincorporated business is negligible.[18]

- As noted above, these shares *exclude* funding from investment vehicles on behalf of superannuation funds.

SMSFs account for 11% of the accumulated funding liabilities of the whole business sector, while households account for 4%. For the latter, as noted above, this *excludes* direct funding from households to businesses (i.e. family financing).[19]

Table 1: Accumulated *domestic* funding liabilities of the non-financial business sector (% shares)

	Whole non-financial business sector	Incorporated non-financial business sector only
Source of funding		
Depository institutions	43.7	36.2
APRA super funds	27.7	31.6
Other financial intermediaries	9.9	11.3
SMSFs	11.2	12.7
Households	4.5	5.1
Government	3.0	3.1
Total	**100.0**	**100.0**

Source: ABS and ASFA.

Government accounts for a small component of business funding. With respect to the Federal Government, the bulk relates to assets of the Future Fund – which holds around $28 billion in Australian-domiciled listed and unlisted equity.[20]

Domestic sources of funding: distribution

For each domestic funding source, there exists a particular distribution of funding – in terms of both the form, and ultimate recipients. Some funding markets/intermediaries are relatively underdeveloped: for affected parts of the business ecosystem, this can mean that funding is more expensive and/or less available than otherwise might be the case. This issue is discussed in more detail in later sections.

Table 2 (next page) shows the composition of domestically-originated funding for *incorporated, non-financial* business, which is disaggregated across two dimensions: source and type. Note that compared with Table 1, data limitations do not permit a distinction between institutional superannuation funds and SMSFs.

A number of observations can be gleaned from Table 2.[21]

- In combination, loans from depository institutions and listed equities held by superannuation funds (including SMSFs) account for 70% of total funding from domestic sources.
- Debt funding – such as corporate bonds – comprise only 2% of total funding.
- For unlisted equity, superannuation is a key domestic funding source.
- Government holdings of listed equity largely reflects the investments of the Commonwealth's Future Fund, whereas government funding via unlisted equity is largely from state governments.
- Excluding superannuation and government, domestically-originated funding for unlisted equity comprises 2% of total funding for incorporated businesses from domestic sources.

Table 2: Source and form of *domestic* funding for incorporated, non-financial business, June 2025 (% shares)

	Form of funding			
	Debt securities	Loans	Listed equity	Unlisted equity
Source of funding				
Depository institutions	0.2	38.9	0.1	0.4
Superannuation (inc. SMSFs)	0.8	0.8	31.3	5.2
Other financial intermediaries	0.5	1.1	9.3	1.7
Households	0.0	0.0	6.2	0.0
Government	0.2	0.2	1.2	1.9
Total	**1.7**	**41.0**	**48.1**	**9.2**

Source: ABS and ASFA.

Funding intermediated by Australia's funds management system

4

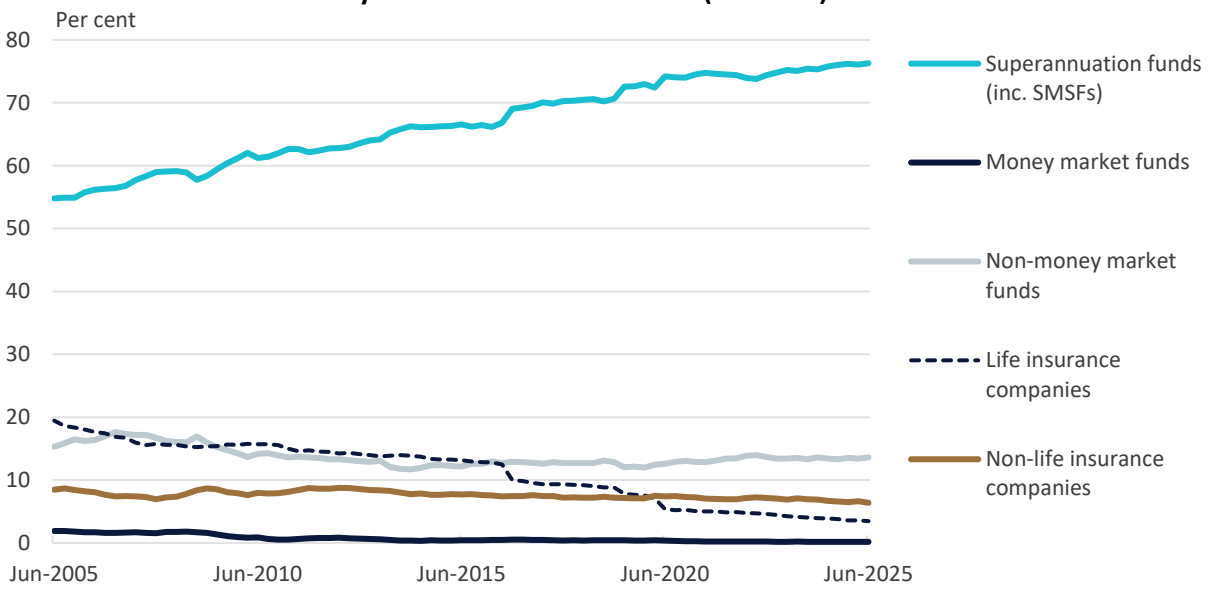
The significant role of superannuation as a funding source for the Australian non-financial business sector is also reflected in the central role of superannuation in the Australian funds-management system – which, in aggregate, represents a larger source of funding for incorporated businesses than Australia's banking system.

Australia's funds management system can be thought of as comprising managed funds institutions (that invest in markets both directly and indirectly), and investment management entities that invest on behalf of managed funds institutions and other entities – such as governments and high-wealth individuals.

Disaggregation of managed fund investments

Chart 4 shows the total investments of Australia's funds management system, by the key channel of intermediation (note that there are numerous ways to disaggregate this data).[22]

Chart 4: Total investments of Australia's funds management system, by channel of intermediation (% shares)



Source: ABS and ASFA.

Superannuation funds, including SMSFs, account for a large and growing share of the investments of Australia's funds management system: currently around 75%. This comprises direct investments by superannuation funds, and those undertaken by other investment management entities on behalf of superannuation funds.[23]

For life insurance and non-life insurance corporations, the current quantum of investments amounts to around 3% and 6% respectively. These figures comprise direct investments and indirect investments via other investment management entities.[24]

The remainder of investments – from a variety of sources – can be divided into those contained in resident money market investment funds and resident non-money market investment funds. In Chart 4, investments made *on behalf of* superannuation and insurance are *excluded* to avoid double-counting.

The current quantum of investments of resident money-market investment funds and non-money market investment funds amounts to less than 1%, and 14% respectively (excluding investments on behalf of superannuation and insurance). Sources of funds include foreign investors, banks, governments and individuals.[25]

- In its publications, the ABS categorises investment funds as either money market funds or (two forms of) non-money market funds (together, specialised investment funds). For convenience, this paper uses the ABS's categorisation.

Specialised investment funds

Superannuation's key role in the Australian managed funds system is also apparent when looking at the investments of specialised investment funds – when the investments made on behalf of superannuation and insurance are *included*.

Table 3 shows the total assets of the three types of specialised investment fund, and their sources of funds as a percentage.[26]

Table 3: Specialised investment funds, sources of funds*

	Type of investment fund			
	Money market	Non-Money market: financial	Non-Money market: non-financial	**Combined**
Source of funds (% shares)				
Superannuation funds	66.4	77.3	68.9	**76.4**
Life insurance corporations	0.2	2.0	0.9	**1.7**
Non-life insurance corporations	7.7	0.0	1.1	**0.4**
Deposit-taking Institutions	0.0	1.6	0.8	**1.4**
Private non-financial corporations	0.0	0.2	0.4	**0.2**
Households	23.6	5.8	1.5	**5.2**
Government	0.0	6.6	1.5	**5.3**
Non-Money market funds: financial	2.1	n.a.	7.0	**n.a.**
Rest of world	0.0	6.5	17.9	**9.4**
Total	**100.0**	**100.0**	**100.0**	**100.0**
Value of total investments ($billion)	**34**	**1,438**	**477**	**1,915**

Source: ABS and ASFA.

**Specialised investment funds include those where the parent entity is based in Australia, but also Australian-based subsidiaries and branches of foreign businesses.*

The combined investments of the three fund types (far-right column of Table 3) is on a consolidated basis. That is, it excludes investments between the three fund types – the most significant of which is investments of financial non-money market funds in non-financial, non-money market funds.

In aggregate, superannuation funds account for over 75% of investments intermediated via these funds. The next two most important sources are offshore investors (9%), and government (5%). The remainder, from all other domestic sources combined, amounts to 9%.[27]

- It is important to note that just as this data is an aggregation of the sources of funding for these investment funds, it also represents an aggregation of the uses of that funding: around two-thirds of the total is invested domestically.

It is insightful to distinguish between the three types of specialised investment fund. In each case, these are collective investment schemes, which raise funds by issuing shares and/or units to investors, either via a prospectus or a distribution channel such as a platform.

Money market funds invest primarily in debt instruments issued by domestic banks – with a residual maturity of less than one year – and domestic bank deposits. These funds provide only limited funding to the non-financial business sector – less than 1% of assets under management.[28]

Financial non-money market funds invest primarily in financial assets other than short-term assets (as above). As shown in Table 3, superannuation funds account for almost 80% of investments intermediated via these funds.[29]

- Financial non-money market funds invest mainly in long-term debt instruments issued by domestic banks, and domestic and foreign governments; and listed equities of domestic and foreign corporations. Around two-thirds of assets are domestic.

- Funding to the non-financial business sector largely comprises listed equities – 96% of the total claims on non-financial corporations. In contrast, non-financial corporate debt comprises just 3% of claims on non-financial corporations.[30]

- As such, the bulk of corporate-related assets held by financial non-money market funds comprises liquid instruments traded on well-developed listed markets. That said, Australia's corporate bond market is relatively underdeveloped compared with Australia's listed equity market and corporate debt markets in other key advanced economies. For some corporates, this can mean a higher cost/lower availability of funding than otherwise would be the case. That said, Australia's private credit market – which is expanding rapidly – provides a potential alternative (Section 6).

Non-financial, non-money market funds invest predominantly in long-term, real assets. As shown in Table 3, superannuation funds account for almost 70% of investments intermediated via these funds.[31]

- With respect to the domestic investments of non-financial, non-money market funds, the range of real assets is broad and includes; commercial property, transport infrastructure, energy infrastructure, digital infrastructure, social infrastructure, social and affordable housing, and agriculture.

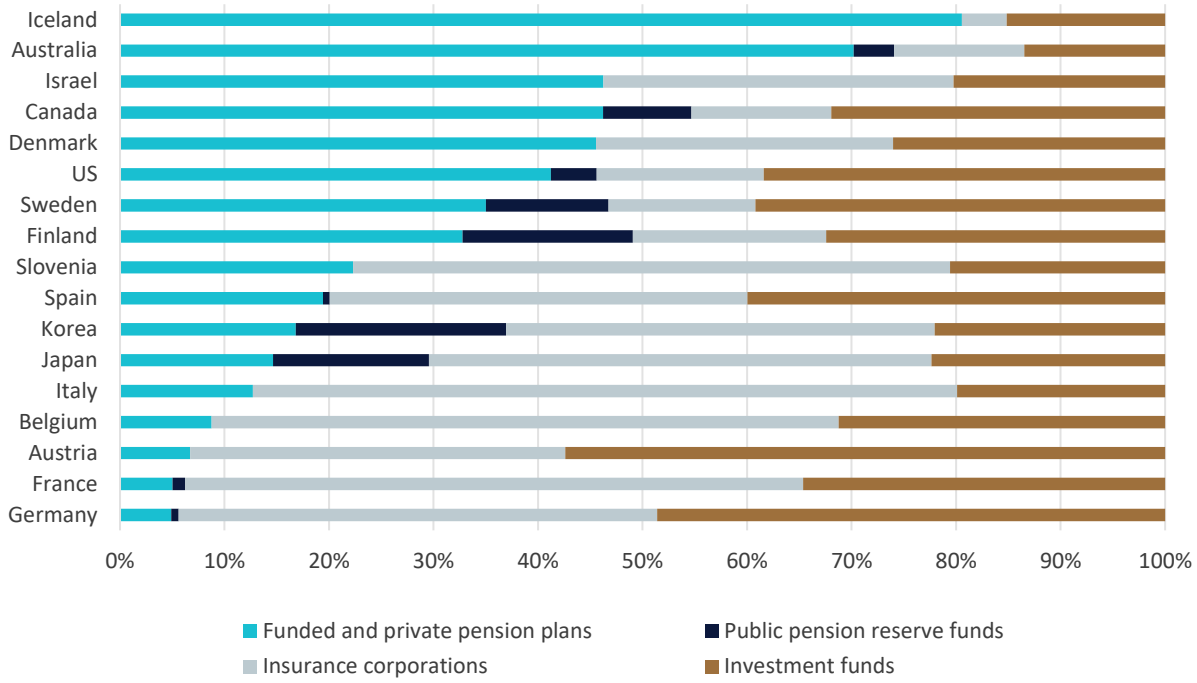
- Domestic allocations of these funds also include private capital and venture capital investments. Section 6 explores issues related to private capital investment – including constraints – in more detail.

- Most domestic investments in real assets are undertaken by entities where the parent entity is based in Australia (resident investment funds also include Australian-based subsidiaries and branches of foreign businesses). These include; IFM Investors, Macquarie Asset Management, Palisade Investment Partners and QIC. There are also numerous specialist private capital funds that focus on domestic opportunities.

Funds management systems: an international comparison

While a broad-based comparison with other countries is beyond scope of this paper, the most recent, complete data from the OECD shows that superannuation (i.e. the Australian private pension system) plays a relatively large role as a source of institutional funding (Chart 5).[32]

Chart 5: Composition of institutional investment funding, 2019



Source: OECD and ASFA

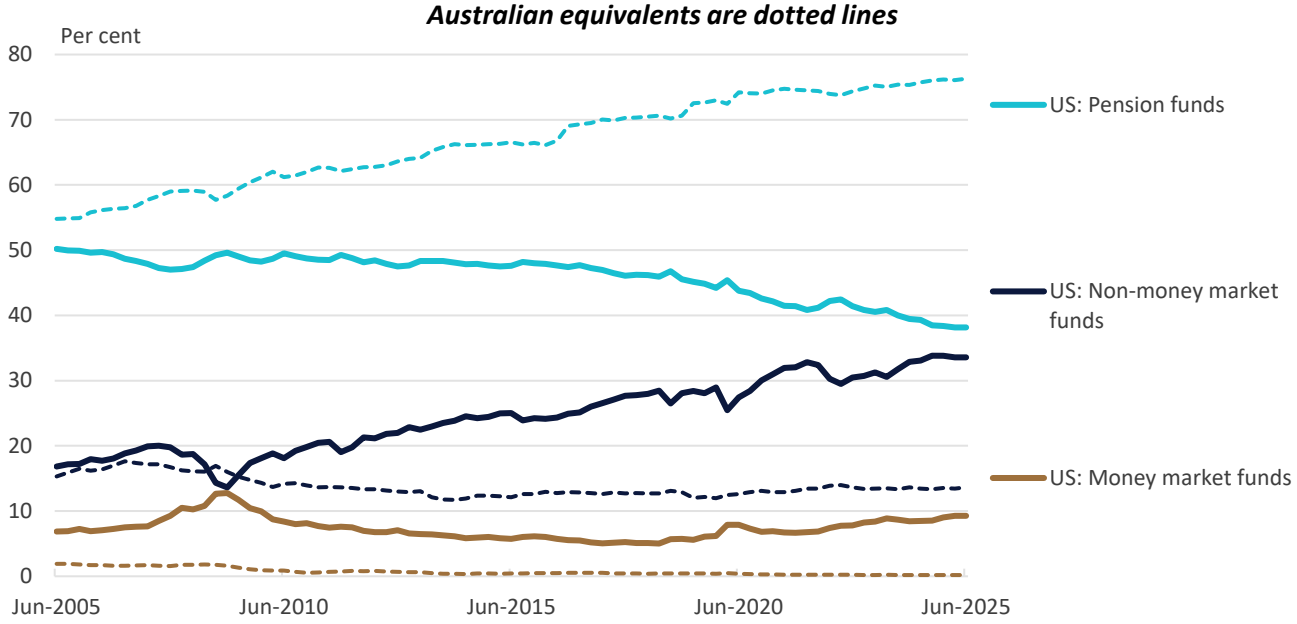
For each OECD country for which data is available, Chart 5 shows the composition of the funds management system between the four main types of intermediary: private pension funds, public pension reserve funds (e.g. for Australia, the Future Fund), insurance corporations and investment funds (both money market and non-money market funds combined), on a non-consolidated basis.

For Australia, private pension (superannuation) funds accounted for around 70% in 2019 – second only to Iceland. Even when just including the assets of institutional superannuation funds, the share is greater than 50%. The unweighted average for private pension funds among the group of countries in Chart 5 was around 30% in 2019.[33]

For the US, Chart 6 shows more up-to-date data. Again, private pension funds in the US have a significant, but smaller role than superannuation funds in Australia. In Chart 6, the shares for Australian-equivalent categories from Chart 4 are shown as dotted lines.[34]

Chart 6: Total investments of the US funds management system, by channel of intermediation (% shares)

Australian equivalents are dotted lines



Source: US Federal Reserve, ABS and ASFA.

Institutional superannuation funds – approach to asset allocation

5

Given the significant role of superannuation – and in particular, institutional superannuation funds – in funding the domestic economy, the aggregate asset allocation decisions of the superannuation system is a key determinant of the broader form and distribution of domestic funding.

With respect to superannuation investments, the over-arching legal requirement on the trustee of an institutional superannuation fund is to make investments that are in the best financial interests of the beneficiaries (members) of the fund.

To this end, institutional superannuation funds are required to set investment objectives in respect of each of their investment options, and to formulate a corresponding investment strategy to achieve those objectives.

At the asset-class level, fundamental to determining the appropriate allocation is the risk-return trade off: for a given risk tolerance, the asset-class mix that has the best chance of achieving investment objectives.

There are numerous, sometimes competing factors that determine ultimate asset allocation at the strategic level, and within asset classes. A non-exhaustive list of factors is below.

- ***Diversification***: superannuation funds diversify their investments across and within asset classes to reduce exposure to risks associated with; countries, industries, technologies, individual entities (and more).
- ***Illiquidity premia***: the illiquidity premium is the additional return that compensates investors for holding assets not readily convertible to cash (or equivalent). Superannuation funds, as investors with long time-horizons, are well-suited to hold illiquid assets.
- ***Liquidity management***: asset allocation needs to accommodate liquidity and cash-flow requirements, and ensure that the fund's liquidity needs can be met at all times. This includes the impact of market downturns on member requests for switching between investment options and for redemptions.
- ***Membership profile***: investment preferences can differ across age cohorts. For example, compared with fund members in the accumulation phase, retired members can have a greater preference for 'defensive' assets such as fixed-income securities compared with 'growth' assets such as listed equities.
- ***Capital deployment at scale***: Funds have limited resources for assessing and undertaking new investments, whether such functions are internal or external to the fund. While relatively small-scale investment opportunities might stack up on a risk-return basis, they may not be cost-effective.
- ***ESG considerations***: A fund's investment objectives can incorporate ESG considerations, where these are consistent with the outcomes the fund seeks to provide members. Related asset allocation strategies – including ESG exclusions, filters and tilts – are guided by these considerations.

- ***Regulatory and tax settings***: For example, the superannuation performance test may influence investment behaviour such that asset allocation and approaches to risk management can differ from what otherwise might be the case. In particular, funds invest having regard to their budget for tracking-error vis-à-vis the prescribed asset-class benchmarks in the performance test.

To the extent that these factors tend to favour certain assets or asset classes, this will be reflected in funds' asset portfolios. Ultimately, asset-allocation decisions that take account of these factors are reflected at the fund level, and at the system-wide level.

In this regard, Table 4 shows the asset allocation of all institutional superannuation funds combined – where the percentage figures are averages for the year ending September 2015 and for the year ending September 2025.[35] Over the past decade, the most marked changes to system-level asset allocation – in relative terms – are for cash (down from 13% to 4%, international equities (up from 28% to 31%), unlisted infrastructure (up from 3% to 7%). In aggregate, the total allocation to offshore assets has increased – from roughly 30% to around 50%.[36]

Table 4: Overall asset allocation of institutional superannuation

	Year to September 2015	Year to September 2025
Cash	**12.9**	**4.3**
Fixed Income	**19.1**	**19.0**
Australian	*12.4*	*12.4*
International	*6.7*	*6.4*
Private Debt	**no data available**	**1.1**
Listed equity	**51.0**	**54.5**
Australian	*23.0*	*23.4*
International	*27.9*	*31.1*
Unlisted equity	**4.8**	**4.5**
Listed property	3.1	**2.6**
Unlisted property	**4.9**	**3.9**
Listed infrastructure	**1.1**	**1.2**
Unlisted infrastructure	**3.0**	**7.1**
Australian	*2.1*	*3.6*
International	*1.0*	*3.5*
Alternatives	**no data available**	**1.3**
Commodities	**0.1**	**0.2**

Source: APRA and ASFA.

In terms of the Australian business sector, as highlighted in previous sections, the primary allocation channel remains listed equities – which accounts for around one-quarter of total superannuation investments. Other key allocation channels related to the Australian business sector are direct and indirect holdings of commercial property and infrastructure, and unlisted equity. Allocations to property and unlisted equity have decreased, in relative terms, over the past decade – noting that within those asset classes there is no data on the allocations between Australian and international assets. Private debt currently comprises around for 1 per cent of total superannuation investments – with around two-thirds allocated domestically.[37]

At the system level, superannuation's asset allocation would not be expected to necessarily align with the aggregate funding requirements of the Australian non-financial business sector. Conversely, the institutional superannuation system, by itself, would not be expected to be able to supply the non-financial business sector with its optimal mix of funding.

More broadly, the particular institutional features of the different sources of intermediated funding – banks, superannuation funds, insurance corporations, specialised investment funds – imply particular forms of funding for business. This is illustrated in Table 5, which compares the actual mix of funding of non-financial corporations, with the comparable asset allocation of institutional superannuation funds and depository institutions with respect to non-financial corporations.[38]

Table 5: Non-financial corporations

Actual funding mix vs the asset allocation of intermediaries to non-financial corporations (% terms)

	Non-financial corporations *Actual funding mix*	**Intermediaries' allocation to non-financial corporations**	
		APRA super funds	Depository institutions
Form of funding			
Listed debt	6.4	1.5	0.5
Unlisted debt	27.6	1.5	98.2
Listed equity	39.7	91.5	0.3
Unlisted equity	26.2	5.5	1.0
Total	**100.0**	**100.0**	**100.0**

Source: ABS and ASFA.

The case of private capital

6

Australia's private capital markets are increasingly important for the Australian business ecosystem – diversifying sources of financing for established firms, providing access to financing for new or small businesses, and supporting investments for innovating and commercialising new technologies.

Private capital is an interest in, or claim on, a company or other entity that is not transacted in a public market. In terms of institutional investors, private capital can include assets held by specialised private-capital funds, lending of non-bank financial institutions and direct investments of superannuation funds and the like in asset classes such as unlisted property and unlisted infrastructure.[39]

Australia's private capital markets – recent trends

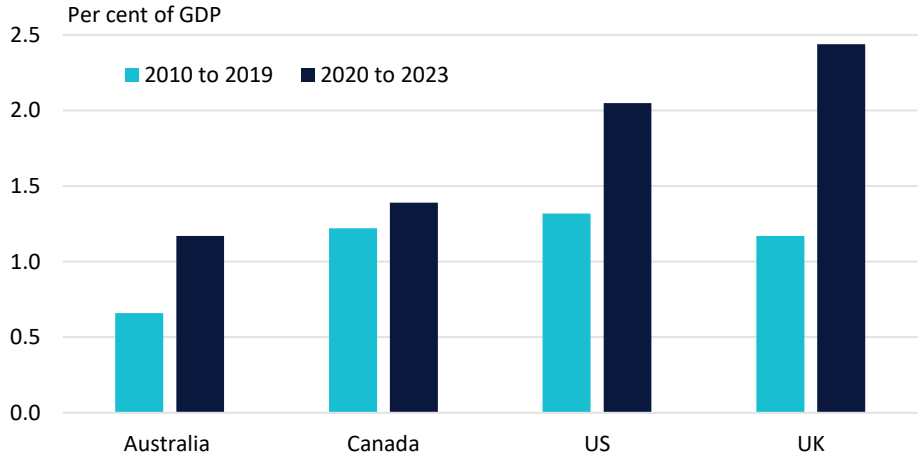
For Australia, recent work by ASIC – in its publication *Advancing Australia's Evolving Capital Markets* – highlights the rise of domestic private capital markets in the context of the broader evolution of local and global capital markets.

In aggregate, the scale of domestic private capital markets has out-paced that of public markets over the last decade. For institutional investors, assets under management have increased faster than the capitalisation of listed markets, while for business entities, an increasingly common view is that private markets are an "easier source of patient capital" and thus can be a preferred form of business financing.[40]

For Australia-focused private capital funds alone, assets under management have risen from $68 billion in December 2014 to $167 billion as of March 2025.[41] Note that the holdings of Australia-focused private capital funds are a subset of domestic private capital assets, however there is limited data on the size of the broader Australian market.

That said, the available evidence suggests that the size of Australian private capital markets are smaller – in relative terms – than those in major advanced economies. While cross-country data is limited, recent analysis published by the RBA shows that, with respect to private equity deals, the domestic market is smaller than in the US, the UK and Canada (Chart 7).[42]

Chart 7: Total value of private equity deals



Source: RBA.

Domestic recipients of private capital

In Australia, key recipients of private capital funding include specialised corporate structures that facilitate property and infrastructure development. Indeed, in Australia, commercial real estate is the largest asset class for Australia-focused private-capital funds. Together, real estate and infrastructure accounts for 45% of assets under management of Australia-focused private capital funds.[43]

With respect to the broader Australian business ecosystem, recipient companies can include new, small or otherwise relatively risky business prospects. Such companies may not qualify for bank financing due to insufficient collateral or lack of business track-record. Low or negative cash-flow can preclude internal financing.[44] However, as ASIC notes, compared with large, established companies access to private capital for smaller business entities can be challenging.[45]

Australian private capital assets

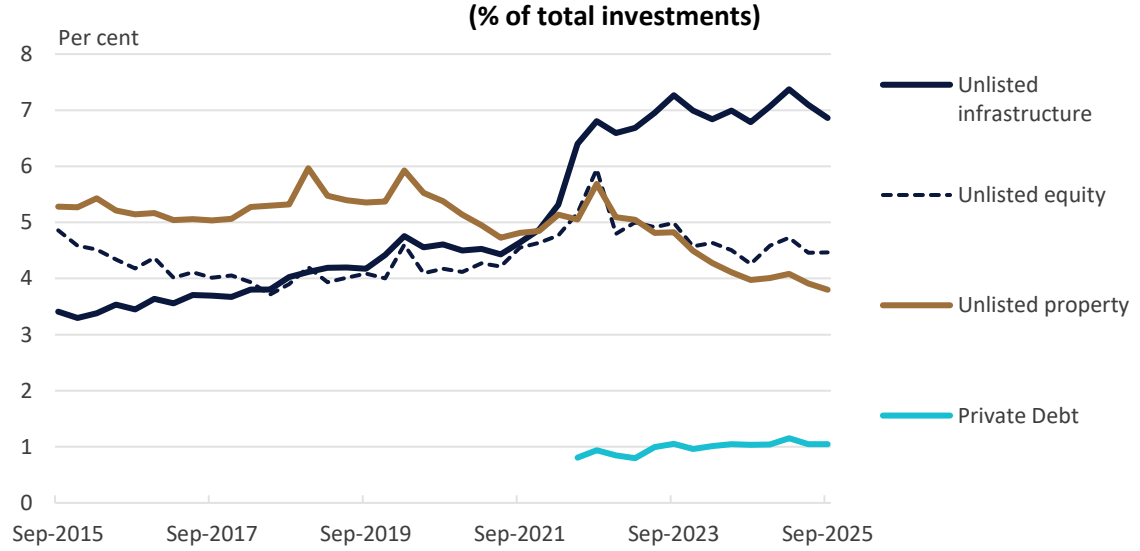
Private capital asset classes have distinct risk and return profiles, spanning the risk-return spectrum. As noted above, major asset classes in the Australian context include unlisted property and unlisted infrastructure. With respect to the broader set of business-related investments, the key asset classes are:

- ***Private equity***, which offers the potential for substantial gains, particularly through growth and buyout strategies that unlock value in emerging businesses or underperforming assets.
- ***Venture capital***, a subset of private equity, which provides significant upside potential from the commercialisation of new technologies and disruptive business models.
- ***Private credit***, which offers relatively predictable income streams with varying risk levels depending on credit quality.

Private capital investors – superannuation funds

As a collective, institutional superannuation funds have long been participants in private markets both in Australia and offshore. This is evidenced by the proportion of total superannuation investments allocated to private/unlisted assets over the last decade (Chart 8), in the context of strong growth in total superannuation assets during this period of 8.6% per annum.[46] Superannuation investments in private capital include direct holdings as well as indirect holdings via specialised private-capital funds.

Chart 8: Private capital investments of institutional superannuation funds (% of total investments)



Source: APRA.

Excluding private credit (for which the available time-series data starts at June 2022), the proportion for private/unlisted assets – within total superannuation investments – increased from 13.5% in September 2015 to 15.1% in September 2025. With respect to the most recent data point (September 2025) that *incudes* private credit, private/unlisted assets comprise 16.2% of total superannuation investments. Of that total, Australian assets comprise around 50%. Within the major private/unlisted asset classes, domestic assets account for a relatively high proportion of unlisted property (around 75%) and a relatively low proportion of unlisted equity (around 30%).[47]

Private capital investors – Australia-focused private-capital funds

In Australia, much private capital funding is intermediated via specialised investment funds that generally invest in a portfolio of companies on behalf of investors, including superannuation funds – noting that the holdings of Australia-focused private capital funds are a sub-set of domestic private capital assets.

With respect to the key asset classes, *excluding* real estate and infrastructure, Australia-focused, closed-end private capital funds had $65 billion in assets under management as of September 2024 – equivalent to 2.3% of annual GDP.[48] As of September 2024, this total comprised:

- private equity: $45 billion
- venture capital: $17 billion
- private credit: $2.7 billion.[49]

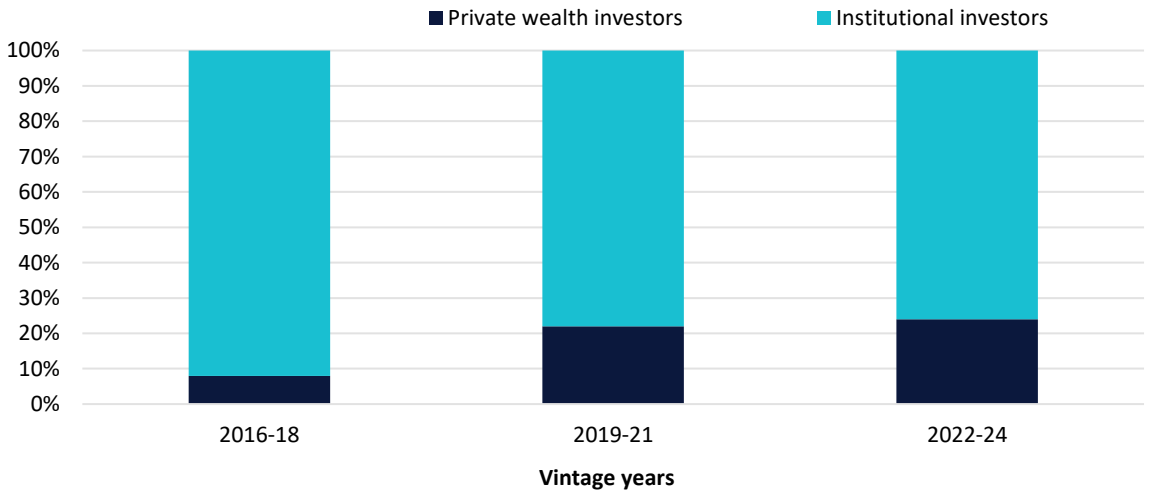
In addition, open-ended funds – primarily focused on private credit – had, in aggregate, assets under management of more than $25 billion, as of March 2025.[50]

Investor composition

With respect to the composition of investors in Australia-focused private-capital funds, the most recent data relates to the number of investor commitments. In this regard, Chart 9 shows the *proportion of* commitments to Australia-focused private-capital funds from institutional investors and private wealth investors – irrespective of jurisdiction – according to the vintage of the fund.[51]

- In Chart 9, *private wealth investors* refer to; wealth managers, single family offices, and multi-family offices, whereas *institutional investors* include; superannuation funds, foreign pension funds, insurance companies, institutional asset managers, endowment funds, foundations, banks, and government agencies.

Chart 9: Number of commitments in Australia-focused private-capital funds (% share)



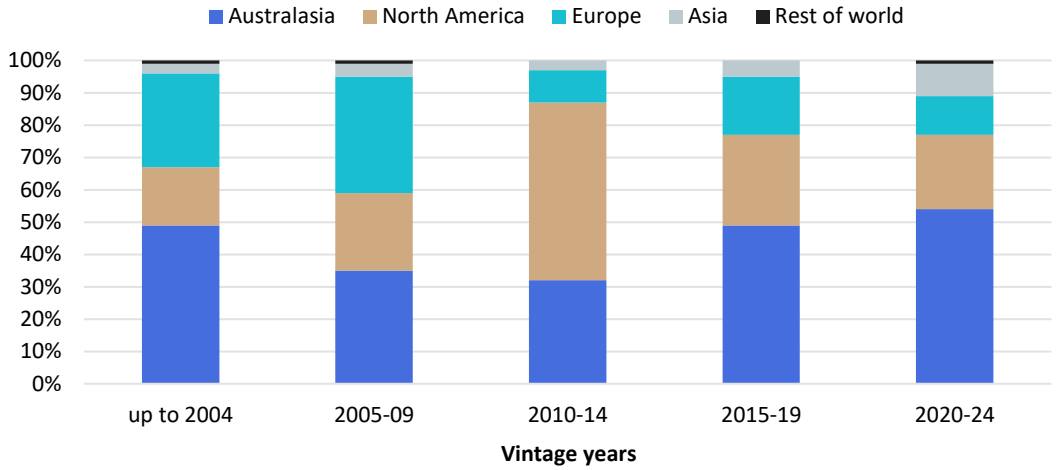
Source: Preqin and the Australian Investment Council.`

Chart 9 suggests that participation by private investors has been growing at a faster pace than participation by institutional investors. Private investors account for 8% of commitments in funds with a vintage of 2016-18, while 24% of commitments in funds with a vintage of 2022-24. However, it is important to note that this data does not relate to trends in the proportions of the value of committed capital – the average size of which is larger for institutional investors than for private investors.[52]

- A further complicating factor is changes in industry structure in respect of institutional investors. For example, during the period covered by Chart 9, merger activity in the superannuation industry reduced the number of institutional funds by around 50%.[53]

Similarly, Chart 10 shows the jurisdiction of investors in Australia-based private capital funds – in terms of the number of investors, rather than the value of investments – for different vintages of funds. The proportion of Australian investors, for different vintages, ranges from 32% for 2010-14 to 54% for 2020-24 – with an average of 45%. Again, this data does not relate to trends in the proportions of the value of committed capital.[54]

Chart 10: Number of investors in Australia-focused private-capital funds (% share)



Source: Preqin and the Australian Investment Council.

Venture capital and later stage private equity

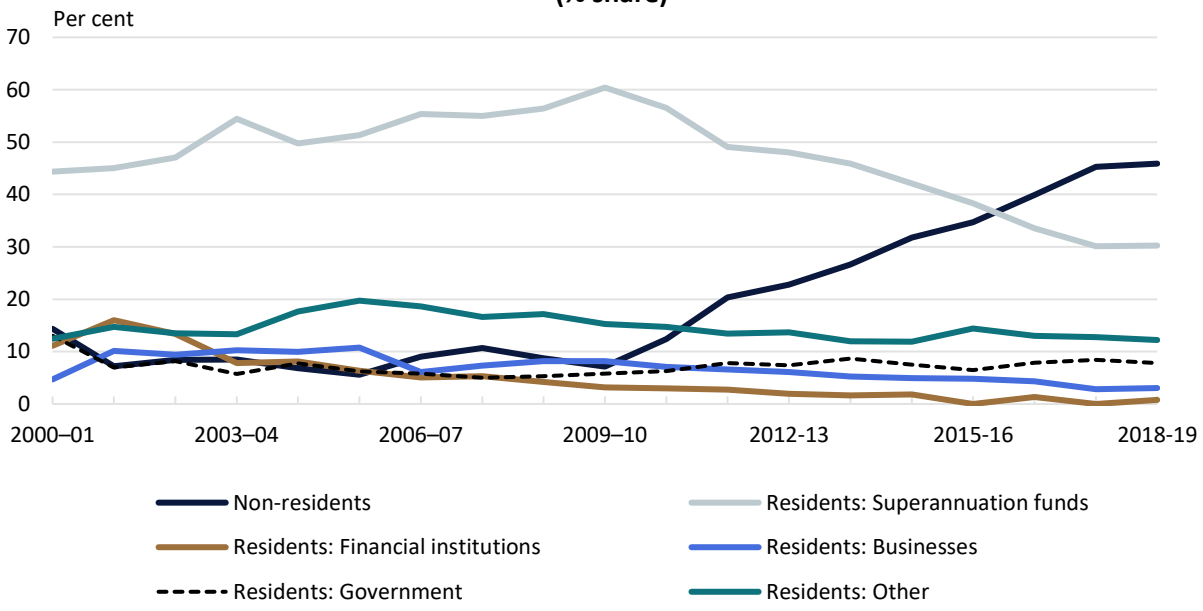
For specialised investment funds that focus on venture capital and later stage private equity, the available data – in terms of the value of committed capital – do suggest a shift in the composition of funding sources since the start the century.

According to the ABS publication *Venture Capital and Later Stage Private Equity* – which is discontinued – non-resident investors accounted for around 10% of committed capital in 2000-01, but around 45% in 2018-19 (Chart 11).[55]

For institutional superannuation funds, the proportion of committed capital in specialised funds peaked at around 60% in 2009-10, and decreased to around 30% by 2018-19. With respect to domestic sources of funding only, superannuation's share of committed capital (to specialised funds) declined from 65% in 2009-10 to 56% in 2018-19.[56]

However, separate data from APRA shows that in respect of superannuation investments in the broader private equity asset class, institutional superannuation funds have tended to direct an increasing share of funding to offshore investments. In aggregate, funds' offshore private-equity investments (both direct and indirect), accounted for around 60% of total private-equity investments in June 2022, but around 70% in September 2025. This change is consistent with the broader trend across all superannuation asset classes – where the allocation to offshore assets is rising.[57]

Chart 11: Australia-focused private-capital funds: Venture capital and later-stage private equity
Sources of committed capital
(% share)



Source: ABS.

Looking ahead

It is expected that Australia's private capital markets will continue to expand and become an increasingly important component of Australia's broader financial system. The key drivers of the rise of private markets in Australia over the past decade are likely to persist: for investors, ongoing growth in institutional assets under management and the benefits of asset diversification; for recipients of funding, the benefits of a diversity of financing mechanisms that better align with entity- or project-specific requirements.

An ongoing expansion of Australia's private capital markets – as a complement to Australia's public markets – would support a more efficient allocation of financial capital in the Australian economy, and so higher rates of real, long-term productivity growth. Particularly with respect to venture capital and private equity, greater facilitation of development and commercialisation new technologies has the potential to generate substantial productivity payoffs for innovating businesses and the broader economy.

The regulatory landscape will need to evolve. ASIC notes that as Australia's private capital markets grow, conduct in those markets will have a critical bearing on confident and informed participation,[58] by both suppliers and users of funding. Access by retail investors is increasing – in asset classes that tend to be more opaque and less liquid than public-market equivalents. For many such investors, institutional superannuation will remain a prudent means to access private markets.[59]

Some key impediments to growth in domestic private-capital markets relate to regulatory features, rather than to specific sources of funding such as superannuation. Indeed, as suggested in previous sections, general capital allocation in Australia would benefit from a greater diversification of funding sources. Below are examples of policy changes that would be likely to help lift the quantum, and broaden the diversity, of funding for private capital opportunities in Australia – drawn from the Australian Investment Council.[60]

Policy issue: update specialised investment vehicles

In the 2000s, the Australian Government introduced specialised investment vehicles – *Venture Capital Limited Partnerships* (VCLPs) and *Early-Stage Venture Capital Limited Partnerships* (ESVCLPs) – to encourage domestic venture capital investment by providing tax concessions to eligible investors.

While these structures facilitated venture capital investment, their efficacy has waned over time.

Firstly, investment thresholds that apply to these vehicles have not kept pace with transaction sizes or valuations. Indeed, the Government has not increased thresholds since the introduction of VCLPs in 2002 and ESVCLPs in 2007, despite that transaction values have increased by around 8% per annum since. In this regard, the VCLP threshold has lost around 50% of its *real* value over the past 23 years.[61]

Of particular relevance to this paper, investors in an ESVCLP cannot contribute more than 30% of the committed capital unless they are a bank, life insurance entity, widely-held superannuation fund or widely-held foreign venture capital fund of funds. This latter point exemplifies the impact of policy settings on diversification of funding sources for investment.[62]

Policy issue: align investment structures with global best practice

Currently, Australia's main managed investment vehicles are unit trusts. These structures are not standard investment vehicles in other jurisdictions. For foreign investors, uncertainties in their application function as deterrents to investment. Most other comparable jurisdictions have long used a collective investment vehicle structure.

A *Limited Partner Collective Investment Vehicle* that is comparable to models in operation globally would help the Australian private market to attract international capital, but also help retain domestic capital.[63]

Policy issue: superannuation-related reform

With respect to investments by institutional superannuation funds, ASFA welcomes the current government process to review the annual superannuation performance test, and ASIC's commitment to bring forward its review of Regulatory Guide 97. Both regimes can influence investment behaviour such that asset allocation and approaches to risk management can differ from what otherwise might be the case – which, for venture capital in particular, can mean lower portfolio allocations (than otherwise).

The broader policy landscape

For the Australian financial system, a broad-based assessment of current policy settings – and potential reforms that would support greater diversity in funding mechanisms – is beyond the scope of this paper.

ASFA notes the recent work undertaken by ASIC in respect of Australia's evolving private markets, and their growing role in complementing public markets. Strong, well-functioning public and private markets support Australia's economic growth – by facilitating the efficient allocation of financial capital to its most productive ends in the real economy.

For private markets, prudent reforms can both facilitate market development, and promote confident, informed participation by investors and businesses. For public markets, modernisation and innovation will help ensure that those markets remain competitive and attractive to investors (both domestic and international) and corporates. Potential reforms also should look to reduce regulatory burden and costs on issuers in particular – in ways that do not undermine market integrity and confidence in those markets.

Long-standing issues include Australia's under-developed corporate bond market. While large non-financial corporates do not face particular barriers to bond issuance in Australia, offshore markets – particularly the US – can be more attractive than the Australian market. For well-established corporations in particular, offshore issuance can be cheaper, in larger volumes, and for longer tenures than in the Australia market. This dynamic has stymied domestic market development, with the result that smaller, less-established corporates face barriers to issuing debt – that relate to cost or market access. There are numerous impediments to market development, which have been highlighted in a number of government reviews – including the *2014 Financial System Inquiry* (the Murray Inquiry).[64]

Government specialist investment vehicles

7

A key policy lever, particularly with respect to Australia's energy transition and emerging industries, is the group of government-funded specialist investment vehicles.

The Australian Government has seven specialist investment vehicles (SIVs) that provide domestic project-based financing, on either a full or partial basis – three of which are focused on renewable energy, critical infrastructure or economic transformation (Table 6). The general purpose of the SIVs is to facilitate new fixed capital investment in targeted sectors of the Australian economy.

Table 6: Specialist investment vehicles

	Investment focus	Financing provided
Name of SIV		
Australian Renewable Energy Agency	Renewable energy innovation	Grants
Clean Energy Finance Corporation	Renewable energy capacity, energy efficiency, carbon sequestration	Equity, bonds, loans
Export Finance Australia	Financial support for exporters	Loans, bonds, guarantees, insurance
Housing Australia	Housing supply - particularly social, affordable housing	Loans, guarantees, grants
National Reconstruction Fund Corporation	High-value, transformative investments in priority industries	Equity, debt, guarantees
Northern Australia Infrastructure Facility	Infrastructure projects in northern Australia	Concessional loans
Regional Investment Corporation	Agriculture	Concessional loans

Source: Australian Government.

For each of the SIVs, the distribution of project financing across the private, public and not-for-profit sectors varies – which largely depends on the particular investment focus. Similarly, the form of financing provided by each of the SIVs also differs.

The three SIVs that are focused on renewable energy, critical infrastructure or economic transformation are;

- the Clean Energy Finance Corporation CEFC), which administers the Rewiring the Nation Fund (funding for upgrading electricity transmission infrastructure), but also a general fund for renewables generation and storage capacity, and a number of innovation-focused funds
- the Australian Renewable Energy Agency (ARENA), which administers a number of innovation-focused funds
- the National Reconstruction Fund Corporation (NRFC), which focuses on early-stage projects in priority transformative industries.

For each of these SIVs, Table 7 provides a summary of the amount of capital committed and deployed to projects thus far. Table 7 also shows the total amount of funding from government – not all of which has been made available to date, but is scheduled to be provided via future Commonwealth Budgets. [65]

Table 7: Specialist investment vehicles - selected

	Total government funding	Capital committed to projects (end FY2024-25)	Capital deployed to projects (end FY2024-25)
	Figures in parenthesis are funding provided as at end FY2024-25	$billion	$billion
Clean Energy Finance Corporation			
General portfolio	Annual Budget appropriations	16.1	12.6
Specialised Investment Funds*	$2 billion ($1 billion)	0.9	0.5
Rewiring The Nation Fund	$19 billion ($4 billion)	3.5	1.5
Australian Renewable Energy Agency	Annual Budget appropriations	3.0	2.2
National Reconstruction Fund Corp.	$15 billion ($2 billion)	0.7	0.3

Source: Australian Government.

In each case, SIVs have been established to focus on a particular policy objective, and as such, each SIV has a specific investment mandate and specific frameworks for governance and project selection. Each of the SIVs is at a different stage of maturity – for example, both the Clean Energy Finance Corporation and the Australian Renewable Energy Agency were established in 2011, while the National Reconstruction Fund Corporation was established in 2023 – which is reflected in project pipelines and the quantum of deployed capital.

- In general, a key policy objective of the SIVs is to 'crowd-in' private-sector investment. In the case of ARENA, for example, data on current/completed projects suggests that, on average, the ratio of private to public financing is over 3:1.[66]

The private sector would benefit from greater visibility and centralisation of funding mechanisms, as well as a better understanding of the role of the funding mechanisms in coordinating public and private investment – noting that the Government's 'Investor Front Door' initiative provides a single-entry point to the Australian Government for investors with major, transformational projects. Specific reforms could include to:

- Streamline and harmonise application processes, and provide a single-entry point for all applicants that would enable applicants to apply once and be directed to the most relevant SIV.
- Establish an over-arching body that would better coordinate the priorities of each of the SIVs with national strategic investment priorities – to provide more-targeted investment focus and to reduce investment overlap.

In this regard, a comprehensive set of potential reforms have been developed by the Investor Group on Climate Change and Mandala Partners (Optimising Australia's Specialist Investment Vehicles for the Net Zero Journey).[67]

Conclusion

8

Australia's capital deepening dynamic – ultimately, the key driver of our productivity growth – is facilitated by funding intermediated by Australia's world-class financial system.

The core role of Australia's financial system – of which the superannuation system is a major component – is to allocate funding and risk efficiently, and so facilitate the flow of funding to its most productive ends.

For institutional superannuation funds, the particular form and destination of funding reflects asset allocation decisions at the product or investment-option level, which are made in the best financial interests of superannuation fund members.

At the system level, superannuation's asset allocation would not be expected to necessarily align with the aggregate funding requirements of the Australian non-financial business sector. Conversely, the institutional superannuation system, by itself, would not be expected to be able to supply the non-financial business sector with its optimal mix of funding.

While institutional superannuation will remain a vital funding source for the real economy for decades to come, Australia's business sector would benefit from greater diversity of financing options to better support new fixed capital investment.

Policy change that seeks to broaden domestic sources of private funding would be expected to contribute to Australia's capital-deepening dynamic, and so boost Australia's rate of productivity growth.

Other key potential policy levers, particularly with respect to Australia's energy transition and emerging industries, is government-funded specialist investment vehicles – which would benefit from greater visibility and centralisation of funding mechanisms.

[1] ASFA derived from: ABS, *Australian System of National Accounts*, 2024-25; ABS, *Labour Force*, November 2025; ABS, *Public Sector Employment and Earnings*, 2024-25 (https://www.abs.gov.au/statistics/economy/national-accounts/australian-national-accounts-national-income-expenditure-and-product/latest-release; https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia/latest-release; Public sector employment and earnings, 2024-25 financial year | Australian Bureau of Statistics).

[2] ASFA derived from: ABS, Australian National Accounts: National Income, Expenditure and Product, June quarter 2025; ABS, Building Activity, March 2025; ABS, Engineering Construction Activity, June 2025 (https://www.abs.gov.au/statistics/economy/national-accounts/australian-national-accounts-national-income-expenditure-and-product/latest-release; https://www.abs.gov.au/statistics/industry/building-and-construction/engineering-construction-activity-australia/latest-release; Building Activity, Australia, September 2025 | Australian Bureau of Statistics).

[3] For any PPP project, the classification of PPP-related investment in the ABS National Accounts depends on which party is determined to be the economic owner. The economic owner of the assets related to a PPP is determined by assessing which unit bears the majority of the risks and which unit is expected to receive a majority of the rewards of the asset. The ABS examines PPPs on a case-by-case basis to determine economic ownership over the associated assets.

[4] The Australian Government the Treasury (2014), *Financial System Inquiry: Interim Report* (https://treasury.gov.au/consultation/c2014-fsi-interim-report).

[5] ASFA derived from: ABS, Australian National Accounts: National Income, Expenditure and Product, June quarter 2025 (https://www.abs.gov.au/statistics/economy/national-accounts/australian-national-accounts-national-income-expenditure-and-product/latest-release).

[6] ibid.

[7] The data in Chart 1 are derived from: ABS, *Australian National Accounts: National Income, Expenditure and Product*, June quarter 2025 (https://www.abs.gov.au/statistics/economy/national-accounts/australian-national-accounts-national-income-expenditure-and-product/latest-release).

[8] ASFA derived from: ABS, *Australian National Accounts: National Income, Expenditure and Product*, June quarter 2025 (https://www.abs.gov.au/statistics/economy/national-accounts/australian-national-accounts-national-income-expenditure-and-product/latest-release).

[9] ibid.

[10] The data in Chart 2 are derived from: ABS, *Australian National Accounts: Finance and Wealth*, June quarter 2025 (https://www.abs.gov.au/statistics/economy/national-accounts/australian-national-accounts-finance-and-wealth/latest-release).

[11] ASFA derived from: ABS, *Balance of Payments and International Investment Position*, June quarter 2025 (https://www.abs.gov.au/statistics/economy/international-trade/balance-payments-and-international-investment-position-australia/latest-release).

[12] Over the last 50 financial years, Australia has run an annual current account surplus in only four of those years (2019-20 to 2022-23 inclusive). Over the last 50 financial years, Australia's current account balance has averaged -3.4% of GDP. ASFA derived from: ABS, *Balance of Payments and International Investment Position*, June quarter 2025 (https://www.abs.gov.au/statistics/economy/international-trade/balance-payments-and-international-investment-position-australia/latest-release).

[13] The data in Chart 3 and Table 1 are derived from: ABS, *Australian National Accounts: Finance and Wealth*, June quarter 2025 (https://www.abs.gov.au/statistics/economy/national-accounts/australian-national-accounts-finance-and-wealth/latest-release).

[14] ASFA derived from: ABS, *Australian National Accounts: Finance and Wealth*, June quarter 2025 (https://www.abs.gov.au/statistics/economy/national-accounts/australian-national-accounts-finance-and-wealth/latest-release).

[15] ibid.

[16] ibid.

[17] ibid.

[18] ibid.

[19] ibid.

[20] Future Fund, *2024-25 Year in Review* (https://www.futurefund.gov.au/en/About-us/Publications#collapse_2fc469e0-632e-4606-89cf-0a69dfd2c1fb).

[21] The data in Table 2 are derived from: ABS, *Australian National Accounts: Finance and Wealth*, June quarter 2025 (https://www.abs.gov.au/statistics/economy/national-accounts/australian-national-accounts-finance-and-wealth/latest-release).

[22] The data in Chart 4 are derived from: ABS, *Australian National Accounts: Finance and Wealth*, June quarter 2025 (https://www.abs.gov.au/statistics/economy/national-accounts/australian-national-accounts-finance-and-wealth/latest-release)

[23] ASFA derived from: ABS, *Australian National Accounts: Finance and Wealth*, June quarter 2025 (https://www.abs.gov.au/statistics/economy/national-accounts/australian-national-accounts-finance-and-wealth/latest-release).

[24] ibid.

[25] ibid.

[26] The data in Table 3 are derived from: ABS, *Australian National Accounts: Finance and Wealth*, June quarter 2025 (https://www.abs.gov.au/statistics/economy/national-accounts/australian-national-accounts-finance-and-wealth/latest-release)

[27] ASFA derived from: ABS, *Australian National Accounts: Finance and Wealth*, June quarter 2025 (https://www.abs.gov.au/statistics/economy/national-accounts/australian-national-accounts-finance-and-wealth/latest-release).

[28] ibid.

[29] ibid.

[30] ibid.

[31] Ibid.
[32] The data in Chart 5 are derived from: OECD, *OECD Institutional Investors Statistics 2020* (https://www.oecd.org/en/publications/oecd-institutional-investors-statistics-2020_9a827fb7-en.html).
[33] ASFA derived from: OECD, *OECD Institutional Investors Statistics 2020* (https://www.oecd.org/en/publications/oecd-institutional-investors-statistics-2020_9a827fb7-en.html)
[34] The data in Chart 6 are derived from: US Federal Reserve, *Financial Accounts of the United States - Z.1* (https://www.federalreserve.gov/releases/z1/).
[35] The data in Table 4 are derived from: APRA, *Quarterly Superannuation Industry Publication*, September quarter 2025; and APRA, *Quarterly Superannuation Statistics*, September quarter 2025 (https://www.apra.gov.au/quarterly-superannuation-industry-publication; https://www.apra.gov.au/quarterly-superannuation-statistics).
[36] ASFA derived from: APRA, *Quarterly Superannuation Industry Publication*, September quarter 2025; and APRA, *Quarterly Superannuation Statistics*, September quarter 2025 2025 (https://www.apra.gov.au/quarterly-superannuation-industry-publication; https://www.apra.gov.au/quarterly-superannuation-statistics).
[37] ASFA derived from: ABS, *Australian National Accounts: Finance and Wealth*, June quarter 2025 (https://www.abs.gov.au/statistics/economy/national-accounts/australian-national-accounts-finance-and-wealth/latest-release).
[38] The data in Table 5 are derived from: ABS, *Australian National Accounts: Finance and Wealth*, June quarter 2025 (https://www.abs.gov.au/statistics/economy/national-accounts/australian-national-accounts-finance-and-wealth/latest-release).
[39] ASIC 2025, *Advancing Australia's Evolving Capital Markets: Discussion paper response report*, Report 823, November (https://download.asic.gov.au/media/4pynoyrg/rep823-published-5-november-2025-20251217.pdf).
[40] ibid.
[41] ibid.
[42] The data in Chart 7 are derived from: Jacob Harris and Emma Chow (2024), *The Private Equity Market in Australia*, RBA Bulletin, April 2024 (https://www.rba.gov.au/publications/bulletin/2024/apr/pdf/the-private-equity-market-in-australia.pdf).
[43] Peqin and the Australian Investment Council, *Australian Private Capital 2025 Yearbook: A Calm Port in a Wild Storm* (https://investmentcouncil.com.au/Common/Uploaded%20files/Smart%20Suite/Smart%20Library/ccd30dea-7be2-45e6-974c-bf98336c879f/2025%20Australian%20Private%20Capital%20Yearbook.pdf).
[44] Jacob Harris and Emma Chow (2024), *The Private Equity Market in Australia*, RBA Bulletin, April 2024. (https://www.rba.gov.au/publications/bulletin/2024/apr/pdf/the-private-equity-market-in-australia.pdf).
[45] ASIC 2025, *Advancing Australia's Evolving Capital Markets: Discussion paper response report*, Report 823, November (https://download.asic.gov.au/media/4pynoyrg/rep823-published-5-november-2025-20251217.pdf).
[46] The data in Chart 8 are derived from: APRA, *Quarterly Superannuation Industry Publication*, September quarter 2025; and APRA, *Quarterly Superannuation Statistics*, September quarter 2025 2025 (https://www.apra.gov.au/quarterly-superannuation-industry-publication; https://www.apra.gov.au/quarterly-superannuation-statistics).
[47] ASFA derived from: APRA, *Quarterly Superannuation Industry Publication*, September quarter 2025; and APRA, *Quarterly Superannuation Statistics*, September quarter 2025 2025 (https://www.apra.gov.au/quarterly-superannuation-industry-publication; https://www.apra.gov.au/quarterly-superannuation-statistics).
[48] Preqin and the Australian Investment Council, *Australian Private Capital 2025 Yearbook: A Calm Port in a Wild Storm*. (https://investmentcouncil.com.au/Common/Uploaded%20files/Smart%20Suite/Smart%20Library/ccd30dea-7be2-45e6-974c-bf98336c879f/2025%20Australian%20Private%20Capital%20Yearbook.pdf).
[49] ibid.
[50] ibid.
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