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The Age Of Entitlement Is Back

Publish Date:

May 2021

Tonight's budget confirms that gross federal government debt will exceed \$1 trillion for the first time in Australia's history. Gross federal government debt is now equal to 45% of GDP, which is more than double what it was during the Whitlam-era.

"This is a budget that Labor would have been proud to have delivered. It commits Australia to permanently higher spending, higher taxes, and higher debt, without offering any economic reform," said Daniel Wild, Director of Research at free market think tank the Institute of Public Affairs.

Total gross government debt is now the equivalent to \$37,500 per person – a staggering 1,300 per cent increase since the eve of the Global Financial Crisis.

"It will not just be our children paying back this debt, but our grandchildren and future generations."

"The Coalition appears to have given up making the argument for economic reform and smaller government."

"The proposed income tax cuts are illusory because the government is committing to higher taxes as a result of higher debt. The only way to have sustainable and permanently lower taxes is through sustainable and permanently less spending."

"There is a risk that this budget will turbo charge inflation which would increase interest rates and inflict significant economic pain on any Australian who has a mortgage."

"The government should be reducing spending, reducing regulation and red tape, implementing policies to attain affordable and reliable energy supply through more coal and nuclear power, reducing the corporate tax rate, and liberalising Australia's industrial relations system," said Mr Wild.

[Previous IPA research](#) estimated that federal government debt would not be paid back until at least the year 2080.

[Previous IPA research](#) also estimated that a modest increase of interest rates to just 4% would result in the interest payments on debt becoming the federal government's third highest expenditure item, behind only health and income support for seniors by 2030.