



## \$1 Trillion Worth Of Debt Within Three Years

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“Australia could have \$1 Trillion worth of debt within 3 years. The only way to repay this monumental amount of debt is for Australia to become more productive,” said John Roskam, Executive Director of free market think tank the Institute of Public Affairs.

- Total debt was \$556 billion going into the crisis.
- The recently announced fiscal measures by the federal government total \$230 billion.
- This will increase federal debt by 41.4 per cent.
- Total debt will now look more like \$786 billion.
- That’s before considering the effect of the crisis on tax revenue. We are likely to see debt increase even more. (federal debt will reach \$1 trillion within three years)
- In 2019-20 Australia spent \$15.95 billion on interest repayments alone, about 2.9 per cent of outstanding debt.
- Assuming a similar repayment rate, we will be paying in the order of \$22.8 billion each year in interest (assuming interest only payments on a debt of \$786 billion).
- Interest payments alone will cost every Australian about \$900 a year.



- Paying off the debt will cost \$30,600 per Australian.

“We no longer have the luxury of wasteful spending and red tape,” said Mr Roskam.

“To truly recover from this economic crisis, there needs to be cuts to red tape, reductions in tax and genuine industrial relations reform.”

“Federalism needs shake up and GST payments need to be recast to reward productive states, not punish them. It is no longer tenable for the Federal government to subsidise wasteful state governments.”

“While a wage subsidy is preferable to welfare as it keeps people attached to a job, subsidies must be kept for the minimum time possible.”

“The extension of the social safety net must not be made permanent, although absolutely necessary given the circumstances, extending them out permanently will mean that the impetus for reform is diminished.”

“Australians don’t want to languish on welfare, they want a job.”

“Only unleashing the productive sectors of the economy will enable Australia to repay this enormous debt,” said Mr Roskam.