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# Australia at a Fiscal Crossroads: New Journal Warns of End of "Easy Choices"

The Institute of Financial Professionals Australia Research Foundation has released its Tax Policy Journal 2026, a comprehensive analysis warning that Australia is approaching the limits of its current revenue model and that governments can no longer avoid the difficult trade-off between higher taxes, rising debt, or tighter public services.

Drawing on analysis from the International Monetary Fund's 2024 Article IV consultation, Deloitte Access Economics, the Productivity Commission's 2018 inquiry into Horizontal Fiscal Equalisation, and former Productivity Commission Chair Michael Brennan (now of the e61 Institute), the Journal concludes that "the era of easy fiscal choices is ending, and the country is running out of simple ways to fund the level of government Australians expect."

With total government expenditure across all levels of government now approaching \$1 trillion annually, Commonwealth net debt at approximately \$846.6 billion (31.7% of GDP) in 2023/24, and combined national public debt projected to climb towards the high-50s per cent of GDP by the late 2020s, the Journal argues structural reform is no longer optional.

Scott Heathwood, Chairman of IFPA, said the Journal is intended as a wake-up call to policymakers, industry, and the public.

*"For too long Australia has leaned on bracket creep and rising debt to avoid having an honest conversation about the tax system. This Journal lays out the facts plainly — we cannot keep expanding government without rethinking how we fund it. At IFPA, we believe the financial advice profession has a critical role to play in helping Australians navigate what is coming, and our Research Foundation is proud to champion rigorous, independent analysis like this."*

The Journal identifies three core choices facing Australia: a shift towards broader consumption and wealth-based taxes, continued reliance on rising debt and bracket creep, or significantly tighter public services. Drawing on the analytical framework set out by Deloitte Access Economics and Michael Brennan, it argues that a recalibration of the tax mix away from heavy reliance on personal income taxation and toward broader consumption and wealth-based measures carries the least economic cost, but the greatest political difficulty.

**Stuart Sheary, IFPA Technical Expert, said the Journal's findings reinforce the practical concerns IFPA has raised in its 2026/27 Pre-Budget Submission regarding the cumulative impact of an unbalanced tax system on working Australians and the professionals who advise them.**



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