



07 MAY, 2024

\$500m flowing to drought fund

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National political editor

An extra half a billion dollars will be tipped into a national drought-fighting fund to help Aussie farmers prepare for the next big dry, as Labor promises more cost-of-living relief for people “doing it tough”.

One week out from handing down his third federal budget, Treasurer Jim Chalmers has declared there will be “more spending restraint” compared to previous years, but argued it is not the time for “scorched-earth austerity”.

“This is not the time to slash and burn in the budget when people are doing it tough and when growth in our economy is weaker than we would like it be,” he said.

Anthony Albanese will be in Rockhampton in central Queensland on Tuesday to announce his government is tipping an extra \$519.1m into the Future Drought Fund.

The fund, which was established by the former Coalition government, as been recalibrated by Labor to account for the role of climate change in driving serious droughts.

It will provide better tools for farmers to help mitigate the impact of drought, strategies for communities to manage the risks and increased investment in Australia’s network of drought hubs.

The Prime Minister said it

was vital to support farmers and producers to prepare in advance for more severe weather impacts.

“By doing the work now, our rural and regional communities are not just reacting to events as they unfold, but will have considered plans to make them more resilient to climate change,” he said.

Agriculture Minister Murray Watt said every morning farmers were waking up “one day closer to the next drought”.

“Time is of the essence when it comes to planning for drought, that’s why we’re investing heavily now,” he said.

It can also be revealed the May 14 budget is expected to show Australia’s gross debt reached \$904bn this financial year, down from 2022 projections of more than \$1 trillion.

As a result, about \$80bn in interest costs will be saved over the decade to 2032-33, with gross debt expected to ultimately peak at 35.2 per cent of Australia’s GDP.

Mr Chalmers said Labor was getting budget “back in better nick” and aiming to have the first back-to-back surpluses in almost two decades.

He said the government was charting a “responsible middle path” to avoid adding to inflation, while injecting funds where required.

“There will be cost-of-living help for people doing it tough,” he said.

But Coalition treasury spokesman Angus Taylor said Labor’s spending was creating “homegrown inflation” that was creating a “huge amount of pain” for households.

“The first and most important test of this budget is, are (Labor) going to put downward pressure on inflation and interest rates?” he said.

“That means containing their addiction to spending.”

Labor was also criticised for excluding professions like psychology and occupational therapy from its plan to introduce a \$319 means-tested weekly payment for nursing, social work, midwifery and teaching students doing compulsory prac placements.

Australian Association of Psychologists executive director Tegan Carrison urged the government to include psychology students in the scheme given the huge demand for mental health workforce.



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Treasurer Jim Chalmers says it's not the time for "scorched-earth austerity". Picture: NCA NewsWire