

Government to set up new multi-billion Future Drought Fund

Written by Michelle Grattan, Professorial Fellow, University of Canberra

Prime Minister Scott Morrison will announce a Future Drought Fund, that will grow to \$5 billion over a decade, at Friday's national drought summit.

The fund is to provide support against future droughts, helping primary producers, non-government organisations and communities prepare for and respond to their impact.

It will be given an initial \$3.9 billion injection, and will expand to \$5 billion by 2028. The funding will be managed by the Future Fund Board of Guardians.

From 2020, about \$100 million annually will be available, with payments starting on July 1, 2020.

Morrison has made dealing with the impact of drought one of his priorities since becoming prime minister, with various immediate measures for the current dry.

The summit will be attended by all levels of government, and representatives of farming and agribusiness, banking and finance services, and community and charitable organisations, as well as experts.

The special envoy for drought, Barnaby Joyce, and the coordinator-general for drought, Major General Stephen Day, will speak, while the Bureau of Meteorology will brief on present conditions and the projected outlook.

Read more: [**Politics Podcast: Barnaby Joyce on facing the drought and rural women**](#)

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The planned fund will provide community services and research, and assist the adoption of technology to support long-term sustainability in periods of drought, through capital or ongoing initiatives. It could include investments in local projects, infrastructure, and research.

The criteria for the type of projects to be supported have yet to be determined and the government says these would continue to change, depending on the drought and community response needed.

Initiatives to be supported by the fund would be decided as part of the budget process.

Read more: [*Helping farmers in distress doesn't help them be the best: the drought relief dilemma*](#)

Morrison said that in his visit to Quilpie in western Queensland, which he undertook immediately after becoming prime minister, he had been struck by “the strength, resilience and hope” displayed by the families.

“Our response to the drought has to be the same. Deal with the here and now, but also make sure we plan for the future.

“That’s what the Future Drought Fund is all about. Putting money aside for non-rainy days in the future,” he said.

“The fund will build over time, starting with an initial \$3.9 billion up front. Part of the earning in the fund will be used to fund important water infrastructure and drought resilience projects, while the balance is ploughed back into the fund, so it grows to \$5 billion over the next decade.

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"This funding will support farmers and their local communities when it's not raining.

"The challenges of drought vary from farm to farm, district to district, town to town and we continually need to adapt and build capacity – the Future Drought Fund gives us this opportunity," Morrison said.

Michelle Grattan does not work for, consult, own shares in or receive funding from any company or organisation that would benefit from this article, and has disclosed no relevant affiliations beyond their academic appointment.

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Read more <http://theconversation.com/government-to-set-up-new-multi-billion-future-drought-fund-105688>