# Former Australian PM John Howard Urges Treasurer to Reintroduce 'Baby Bonus' for Declining Birth Rates



Former Australian Prime Minister John Howard has urged current Treasurer Jim Chalmers to reintroduce the "baby bonus," a policy initially set up during Howard's administration in response to declining birth rates. This call comes after Dr. Chalmers hinted at possible incentives for Australian families to have more children during the upcoming federal budget announcement, scheduled for Tuesday night.

Australia's birth rate has recently fallen to 1.63 in 2022, significantly below the replacement rate of 2.1. The "baby bonus," first introduced in the 2002 budget by Howard and then-Treasurer Peter Costello, provided parents with tax cuts and later lump sum payments to encourage higher birth rates. The policy was intended to counterbalance high immigration rates and support population growth.

Despite the historical context and previous success in boosting birth rates, Treasurer Dr. Chalmers indicated that the upcoming budget would not include a baby bonus, suggesting that the government has found more effective methods to support families choosing to have children.

Howard, who is Australia’s second longest-serving Prime Minister, led the country from 1996 to 2007. The original baby bonus scheme offered significant financial incentives, evolving from initial tax breaks to a series of payments totaling $5,000 by 2013 before being abolished in March 2014 under a succeeding administration.