

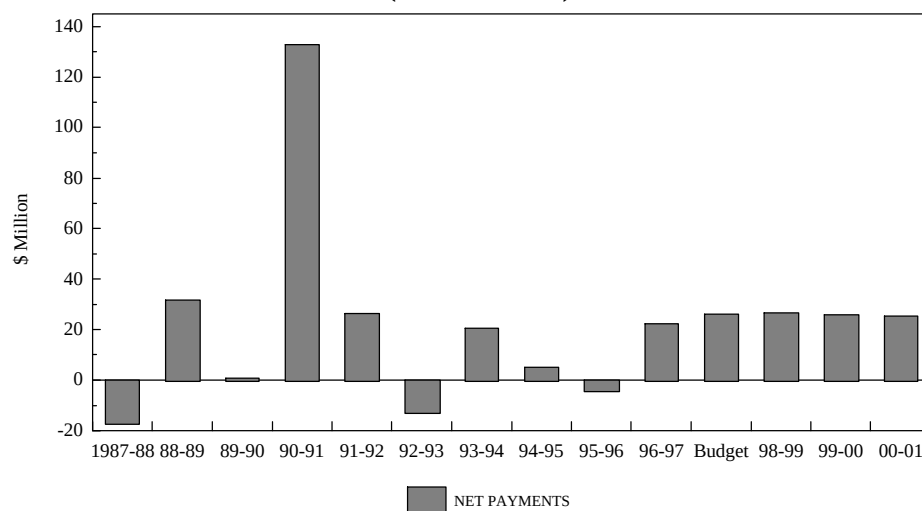
14C. NATURAL DISASTER RELIEF

NATURE OF OUTLAYS

The Commonwealth provides assistance for natural disaster relief.

This function relates to outlays of the Finance portfolio.

Chart 1. Overview of Commonwealth Outlays on Natural Disaster Relief (1989-90 Prices)



TRENDS IN NATURAL DISASTER RELIEF OUTLAYS

Commonwealth assistance towards natural disaster relief in the period reflects the unpredictability of these events in terms of incidence and severity. The 1987-88, 1992-93 and 1995-96 years show net repayments of past Commonwealth loans. Outlays for 1990-91 reflect the severity and extent of flooding in NSW and QLD, a high number of cyclones in QLD and payments associated with the Newcastle earthquake. The forward estimates are based on a broad average of annual net payments over recent years.

1997-98 AND FORWARD ESTIMATES

		1996-97 Estimate	1997-98 Budget	1998-99 Estimate	1999-00 Estimate	2000-01 Estimate
14C	Natural Disaster Relief Assistance	\$m 25.8	30.8	32.2	32.2	32.2
		%	19.4	4.5	-	-
	TOTAL	\$m 25.8	30.8	32.2	32.2	32.2
		%	19.5	4.5	-	-

Under the Natural Disaster Relief Arrangements (NDRA), the Commonwealth reimburses part of the States' outlays on Personal Hardship and Distress payments and

payments for other eligible disaster relief measures where the expenditure exceeds certain funding thresholds. A large part of NDRA payments is made as partial reimbursement for the relief of Personal Hardship and Distress and the repair and restoration of essential state and local government assets.

Some payments are made as concessional loans. The proportion is equivalent to the share of total State NDRA payments advanced as loans to individuals and organisations. NDRA payments are offset by repayments made by the States on past Commonwealth loans.

Since 1989-90 the effects of drought have not been eligible for relief. Drought assistance is included within *10.6 General Assistance Not Allocated to Specific Industries*.