Contingent payments

Contingent payments arise where the Australian Government has committed to provide compensation when an event occurs or has otherwise guaranteed a state's financial position. Payments to the states will only arise if the relevant event occurs.

Table 2.10: Contingent payments to the states

$million	2022-23	2023-24	2024-25	2025-26	2026-27
National Partnership payments					
Disaster Recovery Funding Arrangements	1,549.8	-	-	-	-
Hepatitis C settlement fund	0.1	0.1	0.1	0.1	0.1
Total	**1,549.9**	**0.1**	**0.1**	**0.1**	**0.1**

Disaster Recovery Funding Arrangements – expense estimates

$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2022-23	240.9	815.1	202.9	209.9	64.0	16.9	-	..	1,549.8
2023-24	-	-	-	-	-	-	-	-	-
2024-25	-	-	-	-	-	-	-	-	-
2025-26	-	-	-	-	-	-	-	-	-
2026-27	-	-	-	-	-	-	-	-	-
Total	**240.9**	**815.1**	**202.9**	**209.9**	**64.0**	**16.9**	**-**	**..**	**1,549.8**

The Australian Government provides funding under the Disaster Recovery Funding Arrangements (DRFA) to assist the states in relief and recovery efforts following natural disasters. The Government recognises a liability equal to the present value of future payments expected to be made to the states under the DRFA. The liability is based on estimated data provided by the states. It includes both known and future estimated expenditure for relief and recovery measures prior to states submitting a claim to the Australian Government.

The total cost of relief and recovery from disaster events may not be completely realised for some years. Current estimates for the DRFA are based on the information available at the time of preparation for past events. These estimates do not include other as yet unquantifiable support in relation to disasters that will be provided through the DRFA. Due to the significant scale of the flooding events last year, the Australian Government previously provisioned funding for communities impacted by these floods in the aggregate budget estimates to accommodate additional expenditure once quantifiable. Further information can be found in Budget Paper No.1, *Budget Strategy and Outlook 2023–24, Statement 6: Expenses and Net Capital Investment.*

Estimated expenditure related to all natural disasters is regularly reviewed and revised by the states as new information becomes available, and this, or the occurrence of future natural disasters, can significantly affect the estimated DRFA liability and payments. More information is available in Budget Paper No. 1, *Budget Strategy and Outlook 2023–24, Statement 9: Statement of Risks.*

A new measure associated with this item is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2023–24*.

Disaster Recovery Funding Arrangements – cash estimates

$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2022-23	2.3	-	595.5	-	19.9	0.1	0.1	-	617.9
2023-24	2,606.6	771.2	1,896.0	240.7	101.9	12.2	-	0.2	5,628.7
2024-25	783.8	257.9	813.1	146.0	16.9	5.9	-	-	2,023.5
2025-26	134.9	-	-	3.0	-	-	-	-	137.9
2026-27	-	-	-	-	-	-	-	-	-
Total	**3,527.6**	**1,029.1**	**3,304.6**	**389.7**	**138.7**	**18.1**	**0.1**	**0.2**	**8,408.1**

Estimated cash payments for the DRFA illustrate when the Australian Government expects to reimburse the states for costs incurred in relation to past disasters. Revisions to the estimates since the October Budget are based on updated data received from the states.

Hepatitis C settlement fund(a)

$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2022-23	~	~	~	~	~	~	~	~	0.1
2023-24	~	~	~	~	~	~	~	~	0.1
2024-25	~	~	~	~	~	~	~	~	0.1
2025-26	~	~	~	~	~	~	~	~	0.1
2026-27	~	~	~	~	~	~	~	~	0.1
Total	**~**	**~**	**~**	**~**	**~**	**~**	**~**	**~**	**0.5**

a) State allocations have not yet been determined.

The Australian Government is contributing to out-of-court settlement costs for eligible people who contracted Hepatitis C as a result of blood transfusions in Australia between 1985 and 1991.