



PRIME MINISTER

4 March 1981

COMMONWEALTH ASSISTANCE TO THE STATES FOR NATURAL DISASTER RELIEF

I have written to all Premiers and the Chief Minister of the Northern Territory proposing that officials consult on a review of the current arrangements for Commonwealth assistance to the States and the Northern Territory for natural disaster relief.

It is estimated that in 1980/81 the Commonwealth will provide more than \$71 million under these long standing arrangements, which help the States and the Northern Territory meet the sometimes large and unpredictable costs of providing natural disaster relief within their areas. The arrangements provide for Commonwealth assistance on a reasonable cost sharing basis in the event of major cyclones, floods, storms bushfires or droughts.

Under the arrangements the Commonwealth meets, on a \$1 for \$1 basis, State expenditures on standard measures for the immediate relief of personal hardship and distress, except where such expenditure is of very minor nature. State expenditures may cover provision of emergency food, clothing and accommodation and essential repairs to houses to make them habitable and secure.

The Commonwealth also provides \$3 for each \$1 expended by each State beyond a certain base on other relief and restoration measures in the case of disasters which have a major effect on State budgets.

Commonwealth and State officials met twice late last year concerning the arrangements applying to drought. Those meetings have led to the Commonwealth agreeing to requests by State Governments for a number of new standard measures and extensions to existing measures.

It now appears timely for a review for the total arrangements to facilitate consideration at the June 1981 Premiers' Conference.