

Budget Fact Sheet 2

Fact Sheet 2 – Financial Assistance Grants

- The 2025-26 Budget maintains the system of payments to support local government, through Financial Assistance Grants.
- In 2025-26 the Australian Government will provide \$3.45b in Financial Assistance Grants funding.
- The Financial Assistance Grants as a proportion of Commonwealth Tax Revenue in 2025-26 is therefore estimated to be 0.51%.
- This is consistent with the level of Financial Assistance Grant funding from the 2024-25 Budget of 0.51%.
- The Australian Government will continue to work with states in relation to the financial support of the local government sector, including advancing funding earlier than would usually occur.
- Financial Assistance Grants continue to comprise two components: general purpose assistance grants; and untied local roads grants.

Table 1: Total Financial Assistance Grants to local government 2025-26 to 2028-29

	2025-26	2026-27	2027-28	2028-29
	\$m	\$m	\$m	\$m
General Purpose Component	2,391.5	2,485.3	2,579.5	2,675.9
Local Road Component	1,061.2	1,102.8	1,144.6	1,187.4
Total financial assistance grants	3,452.7	3,588.1	3,724.0	3,863.3

Table 2: Financial Assistance Grants by jurisdiction 2025-26

	NSW \$m	VIC \$m	QLD \$m	WA \$m	SA \$m	TAS \$m	ACT \$m	NT \$m	TOTAL \$m
General Purpose Component	745.9	614.4	491.4	261.3	164.5	50.2	41.6	22.3	2,391.5
Local Road Component	307.9	218.8	198.8	162.3	58.3	56.2	34.0	24.9	1,061.2
TOTAL	1,053.8	833.2	690.2	423.6	222.8	106.5	75.6	47.1	3,452.7