

Fact Sheet 2 – Financial Assistance Grants

- The 2026-27 Budget maintains the system of payments to support local government, through Financial Assistance Grants.
- In 2026-27 the Australian Government will provide **\$3.62b** in Financial Assistance Grants funding (which includes \$2.9 billion brought forward from 2026-27 and paid in 2025-26 in recognition of the workforce, supply chain and cashflow pressures that local government face).
- The Financial Assistance Grants as a proportion of Commonwealth Tax Revenue in 2026-27 is therefore estimated to be **0.49%**. This is a **decrease** from 0.51% in the 2025-26 Budget.
- 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 2026-27 to 2029-30 (\$m)

	2025-26	2026-27*	2027-28	2028-29	2029-30
General Purpose Component	3213.1	501.7	2602.2	2703.9	2809.9
Local Road Component	1425.8	222.6	1154.7	1199.8	1246.8
Total financial assistance grants	4638.9	724.4	3756.8	3903.7	4056.8

* Funding of \$2.9 billion was brought forward from 2026-27 and paid in 2025-26 in recognition of the workforce, supply chain and cashflow pressures that local government face.

Table 2: Financial Assistance Grants by jurisdiction 2026-27 (\$m)

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	TOTAL
General Purpose Component	156.0	128.7	103.1	55.5	34.5	10.4	8.8	4.8	501.7
Local Road Component	64.6	45.9	41.7	34.0	12.2	11.8	7.1	5.2	222.6
TOTAL	220.6	174.6	144.8	89.5	46.7	22.2	15.9	10.0	724.4