**Fact Sheet 1 - Financing local government**

1. **Financial Assistance Grants (FAGs)**

* The 2020-21 Budget maintains the system of payments to support local government, through Financial Assistance Grants (FAGs).
* In 2020-21 the Australian Government will provide $2.54B in FAGs funding. This includes $1.3B which was brought forward from the 2020–21 estimate and paid to states and territories on 25 May 2020.

|  |
| --- |
| * The FAGs as a proportion of Commonwealth Tax Revenue in 2020-21 is therefore estimated to be 0.6%. This is higher than the 0 .55% estimate in 2019-20 because of expected lower Commonwealth revenue. |

* FAGs continue to comprise two components: general purpose assistance grants; and untied local roads grants.

| **Table 1: Commonwealth funding for local government 2020-21 ($m)** | |
| --- | --- |
| General Purpose Component | 859.4 |
| Local Road Component | 381.3 |
|  |  |
| **TOTAL LOCAL GOVERNMENT FUNDING** | **1,240.7** |

\**Note $1.3 billion was bought forward into the 2019-20 financial year*

*Table 2 outlines total Financial Assistance Grants (FAGs) for the period 2020-21 to 2023-24.*

| **Table 2: Total Financial Assistance Grants to local government 2020-21 to 2023-24** | | | | | |
| --- | --- | --- | --- | --- | --- |
|  | **2020-21** | **2021-22** | **2022-23** | **2023-24** |  |
|  | **$m** | **$m** | **$m** | **$m** |  |
| General Purpose Component | 859.4 | 1,803.6 | 1,842.9 | 1,897.9 |  |
| Local Road Component | 381.3 | 800.3 | 817.8 | 842.1 |  |
| *Total financial assistance* | 1,240.7 | 2.603.9 | 2,660.7 | 2,740 |  |

*Note a bring forward payment of $1.3B from 2020-21 was provided on 25 May 2020*.

*Table 3 Financial Grants – 2020-2021*

| **Table 3: Financial Assistance Grants to local government by jurisdiction 2020-21** | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Financial assistance grants** | **NSW  $m** | **VIC  $m** | **QLD  $m** | **WA  $m** | **SA  $m** | **TAS  $m** | **ACT  $m** | **NT  $m** | **TOTAL**  **$m** |
| General Purpose Component | 273.8 | 224.0 | 172.8 | 88.9 | 59.2 | 18.1 | 14.4 | 8.2 | 859.4 |
| Local Road Component | 110.6 | 78.6 | 71.4 | 58.3 | 21.0 | 20.2 | 12.2 | 8.9 | 381.3 |
| **TOTAL** | 384.4 | 302.6 | 244.2 | 147.2 | 80.2 | 38.3 | 26.6 | 17.2 | 1,240.7 |

*Note a bring forward payment of $1.3B from 2020-21 was provided on 25 May 2020*.