

Fact Sheet 1 - Financing local government

1. Financial Assistance Grants

- The 2021-22 Budget maintains the system of payments to support local government, through Financial Assistance Grants.
- In 2021-22 the Australian Government will provide \$2.6b in Financial Assistance Grants funding. This includes \$1.3b which was brought forward from the 2021-22 estimate and paid to State and Territory Governments in 2020-21
- The Financial Assistance Grants as a proportion of Commonwealth Tax Revenue in 2021-22 is therefore estimated to be 0.6%. This is unchanged from 2020-21.
- Financial Assistance Grants continue to comprise two components: general purpose assistance grants; and untied local roads grants.

Table 1: Commonwealth funding for local government 2021-22 (\$m)	
General Purpose Component	918.5
Local Road Component	407.6
TOTAL LOCAL GOVERNMENT FUNDING	1,326

**Note \$1.3 b was brought forward into the 2020-21 financial year*

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

Table 2: Total Financial Assistance Grants to local government 2021-22 to 2024-25				
	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m
General Purpose Component	918.5	1,870.5	1,913.9	1,934.1
Local Road Component	407.6	830	849.3	876.9
<i>Total financial assistance</i>	1,326.1	2,700.5	2,763.2	2,811.1

Note a bring forward payment of \$1.3 b from 2021-22 was provided in 2020-21. (BP3 P89)

Table 3 Financial Grants – 2021-22

Table 3: Financial Assistance Grants by jurisdiction 2021-22									
Financial assistance grants	NSW \$m	VIC \$m	QLD \$m	WA \$m	SA \$m	TAS \$m	ACT \$m	NT \$m	TOTAL \$m
General Purpose Component	291.5	239.4	185.6	95.3	63.3	19.4	15.4	8.8	918.5
Local Road Component	118.3	84	76.4	62.3	22.4	21.6	13.1	9.5	407.6
TOTAL	409.8	323.4	261.9	157.6	85.7	40.9	28.5	18.3	1,326.1

Note a bring forward payment of \$1.3 b from 2021-22 was provided in 2020-21. (BP3 P89)