

Circular to Councils

Subject/title	2025-26 Financial Assistance Grants (FA Grants) – Advance Payment
Circular Details	GC154 / 23 June 2025 / A961669
Previous Circular	GC153 / 28 June 2024 / A864741
Who should read this	Councillors / General Managers / Finance Managers
Contact	Sarah Gubb EO / 02 4428 4142 / grantscommission@olg.nsw.gov.au
Action required	Information

What's new or changing?

The Commonwealth Government has announced an advance payment of the preliminary FY 2025-26 Financial Assistance (FA) Grants, representing approximately 50% of the amount councils are entitled to.

Further adjustments to the remaining payment will take into account:

- the determination by the Commonwealth Treasurer of the final adjustments for FY 2024-25
- the Local Government Grants Commission's (the Commission) final recommendations for FY 2025-26

The Commission will advise councils of their final recommendations after the Commonwealth advises the amount of the final adjustment.

What will this mean for council?

- The advance payment amount, as set out in the following link, will be paid to councils without delay: [Advance Payment Schedule](#).

- A media release advising of the Commonwealth's decision to make an advance payment can be found here: [Councils to receive \\$1.7 billion in funding early | Ministers for the Department of Infrastructure](#).
- The balance of the grants will be paid in quarterly instalments during 2025-26
- The first quarterly instalment is expected to be paid to councils in mid-August 2025, with subsequent instalments in November 2025, February 2026 and May 2026
- All councils will be advised by letter of individual estimated entitlement for the 2025-26 FA Grants

Key points

- The grants are paid under the provision of the *Local Government (Financial Assistance) Act 1993* (Commonwealth).
- The allocation of approximately 50% is less than in recent years. This is a reminder to Councils that the total amount of the annual FA Grant, and whether and when an advance payment is made, is determined by the Federal Government and Councils should not depend on these funds to balance their financial statements in future.
- The NSW Grants Commission is yet to determine allocations for the 2025-26 financial year.
- The advance payment allocations have been determined on the basis of the allocations for FY 2024-25.

Where to go for further information

- Please contact Sarah Gubb, Executive Officer, at grantscommission@olg.nsw.gov.au if you require any further information.



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