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STATE & LOCAL GOVERNMENTS WORKING TOGETHER FOR BETTER ROADS

State Road Funds to Local Government Advisory Committee

25 September 2026

2027-28 LOCAL ROADS PROGRAM FUNDING ALLOCATIONS

A targeted review of grant programs across State Government agencies has been undertaken with one of the objectives being to achieve a "better alignment of grant expenditure estimates with project and / or program schedules". This review, included the State Road Funds to Local Government Agreement (SRFLGA), identified that Local Government Road Project Grants and BlackSpot program grants have a history of misalignment between grant expenditure estimates and project schedules. The 2025-26 outcome across the SRFLG Category 1 programs (delivered by Local Governments) was an under expenditure of $48 million.

The State Government has determined to hold funding for SRFLGA Category 1 Programs (delivered by Local Governments) at the 2025-26 level for the final two years of the current agreement (2026-27 and 2027-28) in an effort to improve alignment between expenditure estimates and project schedules.

In taking the decision, the State Government remains committed to providing 20 per cent of Motor Vehicle Licence Fee Revenue for use on the Local Government road network and will do so by allocating additional funding to the *State Initiatives Program* in Category 2 of the Agreement (delivered by Main Roads Western Australia).

As the 2026-27 Local Roads Program had been endorsed some time ago by the State Road Funds to Local Government Advisory Committee the Government decision was made to leave the 2026-27 program unchanged and to implement the reductions as part of 2027-28 allocations. This will mean that the indicative funding for Category 1 Programs will be reduced by $34.22 million which equates to around 15 per cent.

The State Road Funds to Local Government Advisory Committee will be considering how this change in funding available to Category 1 Programs will be implemented by grant program and by region and communicate this through the indicative allocations for 2027-28 to each Regional Road Group as quickly as possible.

Yours sincerely

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