



Council adopts 2026/27 Budget

South Gippsland Shire Council has adopted its 2026/27 Budget, delivering a practical and financially responsible plan that balances community expectations with rising costs.

Council has focused on responsible prioritisation, maintaining essential services and protecting the long-term financial sustainability of the organisation. The adopted Budget forecasts a balanced cash position, demonstrating that Council is not budgeting to spend more cash than it has available.

Developed during a period of significant economic uncertainty, the Budget reflects Council's commitment to balancing community expectations with financial realities. Like households and businesses, Council is experiencing rising costs across fuel, energy, construction materials and contractor services. At the same time, Council's largest source of income – rates and charges – is capped by the Victorian Government at 2.75 per cent.

Council will deliver a \$24.26 million capital works program during 2026/27, representing a substantial investment in community infrastructure and public assets. Approximately 90 per cent of the program is focused on asset renewal and maintaining existing infrastructure, ensuring roads, bridges, buildings and community facilities remain safe, reliable and fit for purpose. The program includes \$2.16 million in projects carried forward from 2025/26 and will be funded through a combination of \$9.021 million in grants and contributions and \$15.239 million in Council cash funding.

The Budget supports a range of initiatives that will strengthen communities, improve infrastructure and position South Gippsland for future opportunities. These include:

- Rollout of Food Organics and Garden Organics (FOGO) services in line with Victorian Government requirements, helping reduce waste to landfill and improve environmental outcomes.
- Delivery of the Safer Local Roads and Streets Program at seven locations across South Gippsland, improving road safety and connectivity.
- Commencement of the Regional Precincts and Partnerships Program, supporting planning and preparedness associated with offshore wind development opportunities.
- Continued advocacy to Victorian and Federal Governments for priority infrastructure and community projects.
- A new Economic Development and Visitor Economy Strategy to support local business growth, investment attraction and strengthen tourism.

- Ongoing focus on asset management, financial sustainability, service reviews and long-term planning.

Community engagement played a key role in the development of the Budget. Two rounds of consultation were undertaken, including a six-week pre-budget engagement process between October and November 2025 and public consultation on the draft Budget during April and May 2026. More than 100 ideas and suggestions were received from residents and stakeholders, providing valuable input into Council's decision-making process. Early engagement allowed community priorities to be considered from the outset and helped identify several initiatives for potential funding.

Since consultation was undertaken, rising costs and increasing economic uncertainty have required Council to reassess affordability. While some proposed initiatives have been deferred, they remain under consideration and may be revisited if financial conditions improve. Council's four-year Budget to 2030 aligns with its Long-Term Financial Plan, ensuring continued investment in essential infrastructure, service delivery and the long-term sustainability of community assets.

Quote attributable to South Gippsland Mayor, Cr Nathan Hersey:

"This Budget is about living within our means while continuing to deliver for our community.

"There has been thoughtful discussion, respectful debate and careful consideration throughout this process.

"Councillors have worked together to respond to changing economic conditions while keeping our focus firmly on community outcomes. The result is a practical, responsible and financially sustainable Budget that supports South Gippsland now and into the future."

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