Budget 2026/27
Fact Sheet
June 2026

The Annual Budget is our public statement of priorities, describing the services we intend to provide and what funds will be allocated to deliver them.

East Gippsland is a large and geographically diverse shire, meaning Council must deliver duplicate services across many locations, unlike many other councils. The Budget reflects this service delivery.

Our Budget has been guided by seven key principles

- Developed in an integrated way across our suite of strategic plans.
- Preserving financial sustainability.
- Having services and service levels acceptable to the community.
- Ensuring we are keeping up with asset renewals.
- Efficient use of ratepayers' money.
- Renewal and upgrade of existing assets is prioritised over the creation of new assets and new assets are designed for cost management and community need.

How we engaged with you

This year, we changed our budget engagement approach to a year-round model, with early engagement undertaken from January to March to help shape the 2026/27 Budget before the draft was prepared.

Engagement included an online survey, community pop-up sessions across the shire, and targeted discussions with key stakeholder groups.

A total of 340 people responded to the online survey, 46 contributed through a survey at community pop-ups, and 16 individual submissions were received.

We heard that the community's main priorities were managing cost-of-living pressures, focusing on core services, maintaining roads and other infrastructure, and making financially responsible decisions. Community was asked to rank what services are most important to them with the top five being:

- Roads, footpaths and drainage
- Aquatic and recreation centres
- Community facilities
- Parks and playgrounds
- Environmental management and sustainability

Rate increase is less than the rate cap

We have set the rate increase for the 2026/27 year at 2.50% which is 0.25% less than the allowed rate cap increase and well below current inflation levels. This is the second consecutive year that the rate increase has been set below the rate cap.

This has been done in direct response to the rising cost-of-living pressures on our community. We will balance out this below cap increase with continued efficiency targets and the development of a financial sustainability strategy. This strategy will identify a framework for realising future savings and efficiencies in how we provide services.

The municipal charge has increased by 2.50% to $263.40.

For an explanation of how rates are calculated, see the 2026/27 Budget.

Property valuations

The value (determined by the Valuer-General, not Council) of each property serves as the basis for calculating what rates each property owner will pay. Differential rating assists in the equitable distribution of rates.

This year we propose to divide the rates up in a way that ensures each class of property has the same average increase of approximately 2.50% - which is aligned with the proposed rate increase.

This prioritises fairness and equity among the property types as well as ensuring the distribution is simple to understand and consistent for our ratepayers.

Based on a proposed 2.50% rate increase for 2026/27 (below the rate cap), the average increase in the rates and municipal charge per property class is:

- Residential: Average $42 (average 2.50% increase per property assessment).
- Commercial/Industrial: Average $75 (average 2.50% increase per property assessment).
- Farm: Average $62 (average 2.50% increase per property assessment).

Fees and charges

Fees and charges have generally increased by 2.75%. Some fees and charges have changed by more than this with the reasons outlined below.

Forge Theatre: Fees have been restructured so venue hire is separate from staffing. Hire costs are lower (especially for community groups), and users now only pay for the staff and services they need.

Animal registrations: Fees have increased (around 13.5%) mainly because the Victorian Government has significantly raised its registration charges. Council is phasing increases over multiple years to reduce the impact.

Commercial marinas: Berth licence fees have increased by 7% based on updated market valuations, with new fees also set for additional berths at Slip Road.

Private jetties: Fees are being adjusted based on independent valuations - some go up, some down - moving towards consistent, market-based pricing and covering the cost of managing the land.

Waste fees and charges

Waste services are run on a “full cost recovery” basis, which means the charges need to cover the actual cost of delivering the service.

Fuel prices have increased significantly due to global events, including the war in the Middle East.

Because waste trucks travel long distances and collect bins frequently across a large area, fuel costs make up a big part of the service cost.

On top of that, the cost of processing and disposing of waste and recycling has also gone up.

All these rising costs have led to higher waste charges.

- The waste service charge for kerbside collection will increase by an average of 8.22%.
- The waste levy will be $57.60.
- Waste service charges (e.g. at transfer stations) will increase on average 2.50%.
- The green waste disposal fee will increase from $14 to $16 per cubic metre and will contribute approximately $640,000 based on forecast volumes of material received. This represents around 70% of processing costs.
- A free green waste period will again be offered throughout November.

Financial sustainability

Sound long-term financial management is critical to providing the financial certainty and flexibility needed for efficient and effective service delivery and asset management.

While we are financially sound, demonstrated by our financial sustainability indicators, we have longer term risk associated with our underlying position - a good measure of financial sustainability.

We want to ensure a strong, continued focus on being as efficient as we can. This is in line with the budgeting principles of efficient use of ratepayer money and keeping services and service levels at an acceptable level.

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This is why we will develop a Financial Sustainability Strategy that will identify a framework for realising future savings and efficiencies in how we provide services to our communities.

To start efficiency targets of $1.5m have been built into the 2026/27 Budget. These savings complement ongoing savings of over $2m identified in the 2025/26 Budget, meaning that over the combined budget periods over $3.5m of ongoing savings have been identified.

The 2026/27 Budget can be found on the Council website and at any of our customer service centres and libraries.

Budget comparison – 2026/27 to 2025/26

Financial snapshot

Key Statistics	2025/26 Adopted Budget $'000	2025/26 Forecast $'000	2026/27 Budget $'000
Total income	144,082	131,170	153,463
Total expenditure	134,851	142,355	138,965
Surplus for the year	**9,231**	**(11,185)**	**14,498**
Underlying operating surplus / (deficit)	**(8,506)**	(22,072)	(4,625)
Net Cash result	**(36,737)**	11,270	(31,615)
Funding the capital works program			
Cash and Reserves	52,759	30,996	31,753
Borrowings	0	0	0
External grants and contributions (recurrent and non-recurrent)	18,952	11,477	22,686
Total Capital works program	**71,711**	**42,473**	**54,439**

Note: The surplus for the year reflects the anticipated annual performance of Council's day to day activities.

Note: The Underlying operating result is an important measure of financial sustainability as it excludes non-recurrent grants used to fund capital expenditure, non-monetary contributions, and contributions to fund capital expenditure from sources other than those referred to above. All have been excluded to determine the underlying result.

This is the net funding result after operations, capital works and financing activities. Refer Statement of Cash Flow in Section 3.