Submission to the Victorian Department of Energy, Environment and Climate Action (DEECA)

Draft Adaptation Action Plans 2027-31

15 July 2026

Introduction

The Investor Group on Climate Change (IGCC) welcomes the opportunity to provide feedback on Victoria's draft Adaptation Action Plans 2027-31. The Plans represent an important step in strengthening Victoria's resilience to the growing physical impacts of climate change and provide a useful framework for coordinating action across critical systems.

IGCC is the leading network for institutional investors in Australia and New Zealand focused on climate change. Collectively, our members manage over $4 trillion in assets and are long-term investors in the Australian economy.

The Victorian Government plays a critical role in shaping the investment landscape in which our members operate. Government policy, planning frameworks, infrastructure investment decisions, and resilience measures influence both the risks and opportunities faced by investors (see IGCC's Activating Private Investment in Adaptation[1]). Many IGCC members directly invest in infrastructure, energy systems, property, and other assets across Victoria.

Investors depend on a resilient Victorian economy and society to generate sustainable long-term returns. Effective adaptation planning can protect the value of existing assets, support new opportunities for private investment in resilience, and reduce the risk of capital withdrawal from exposed regions and sectors.

Feedback on the draft Adaptation Action Plans

IGCC strongly supports Victoria's use of sector-based adaptation planning. Sector adaptation plans are an important mechanism for translating high-level adaptation objectives into practical action and have been a key recommendation of IGCC's policy advocacy at the national level (see IGCC's Supercharging Australia's Future: IGCC's Policy Priorities 2026-30[2] pg. 21).

For investors, sector adaptation plans help provide confidence that regions will maintain economic resilience and therefore are a safe place for investment. They also support coordination and collaboration between public and private sector actors, which is essential for effective adaptation.

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[1] IGCC (2024) Activating Private Investment in Adaptation https://igcc.org.au/activating-private-capital-for-climate-adaptation/

[2] IGCC (2026) Supercharging Australia's Future: IGCC's Policy Priorities 2026-30 https://igcc.org.au/wp-content/uploads/2026/03/IGCC-Super-Charging-Australias-Future-Policy-Priorities-2030.pdf

This submission focuses primarily on the Built Environment, Transport, and Energy Plans, which are of greatest relevance to our members. However, some of the feedback raised below may be applicable across the broader suite of adaptation plans.

While IGCC is broadly supportive of the actions identified, we encourage the Victorian Government to strengthen the Plans by:

- Improving the specificity and accountability of actions.
- Increasing focus on adaptation financing and private investment opportunities.
- Prioritising regulation and planning reform.
- Developing longer-term adaptation pathways beyond 2031.

Strengthening the specificity and accountability of actions

Many actions within the Plans describe broad areas of work without clearly identifying the outcomes being sought, relevant policy or regulations that will be affected, responsible agencies, implementation timelines, and indicators that can be used to track progress.

Greater specificity is needed to improve transparency and accountability, which provides a stronger basis for investment decisions and public-private partnership opportunities.

IGCC strongly recommends that the Plans include:

- Clear delivery timeframes.
- Identification of lead agencies responsible for delivery of actions.
- Improved specificity of actions (e.g., in the Built Environment Plan, naming the policies and regulations that will be altered to include consideration of resilience).
- Measurable targets or indicators.
- Public reporting on progress.

Increasing focus on adaptation financing and private investment opportunities

IGCC supports increased public and private investment in climate adaptation and resilience (see IGCC's Supercharging Australia's Future: IGCC's Policy Priorities 2026-30[3] pg. 21).

While acknowledging the fiscal constraints facing the Victorian Government, adaptation investment is an essential form of risk management and economic protection. Delayed (or absent) investment in resilience can increase future recovery costs, reduce economic productivity and investment attractiveness, and increase

[3] IGCC (2026) Supercharging Australia's Future: IGCC's Policy Priorities 2026-30 https://igcc.org.au/wp-content/uploads/2026/03/IGCC-Super-Charging-Australias-Future-Policy-Priorities-2030.pdf

community vulnerability and erode social license (see IGCC's Just Adaptation: An Introduction for Institutional Investors[4]).

IGCC therefore encourages the Victorian Government to strengthen the financing dimensions of the Plans. In particular, the Plans should consider:

- Where the Victorian Government will allocate funding to priority adaptation measures (in addition to projects supported by the Commonwealth Government).
- Leveraging private capital alongside public investment for resilience projects (e.g., through blended finance mechanisms).
- Investigating resilience bonds and other innovative financing mechanisms.
- Providing clear investment pipelines for adaptation-related infrastructure.
- Opportunities to integrate adaptation into existing or upcoming projects for low additional cost.

The Plans acknowledge that resilience requires partnerships across the public and private sector. The next step is to articulate where public-private collaboration can have the greatest impact and the mechanisms through which this can occur.

Investors have substantial pools of capital seeking long-term, stable investment opportunities. With the right policy settings, planning frameworks and co-investment structures, some adaptation investments can attract private capital while delivering significant public benefits. See IGCC's Activating Private Investment in Adaptation[5] and the Actuaries Institute Mobilising Investment for Climate Adaptation[6] for more information.

Prioritising regulation and planning reform

Communities, businesses, and investors depend on reliable infrastructure and essential services. When infrastructure is not designed for future climate conditions, communities may experience reduced, disrupted, or more expensive services and governments face higher recovery and future adaptation costs. Investors need confidence that future infrastructure will not be built on historic climate assumptions and require costly retrofits, suffer avoidable disruptions, or create stranded assets.

Victoria has a significant opportunity to strengthen the long-term resilience of its economy by embedding climate resilience requirements into the planning, approval, design, and delivery of new infrastructure and the broader built environment. While the Plans contain some positive actions, many only relate to single hazards, high-risk

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[4] IGCC (2026) Just Adaptation: An Introduction for Institutional Investors https://igcc.org.au/wp-content/uploads/2026/06/IGCC-Just-Adaptation-2026.pdf
[5] IGCC (2026) Activating Private Investment in Adaptation https://igcc.org.au/wp-content/uploads/2024/10/Activating-Private-Investment-in-Adaptation.pdf
[6] Actuaries Institute (2025) Mobilising Investment for Climate Adaptation https://content.actuaries.asn.au/resources/resource-ce6yyqn64sx3-2093352434-60322

regions, or are framed at a high level. This piecemeal approach risks creating inconsistency across sectors and does not provide the level of certainty required by investors.

IGCC encourages the Victorian Government to move beyond individual resilience initiatives and establish a coordinated program to embed climate resilience considerations across all relevant planning and regulatory frameworks. This recommendation aligns with IGCC Policy Priority 2.3[7] (pg. 21) and should include:

- Systematically reviewing and updating planning controls, infrastructure design standards, building requirements, and regulatory frameworks to ensure new infrastructure is resilient to future climate conditions.
- Requiring major infrastructure projects to demonstrate consideration of future climate risks as part of planning and approval processes. IGCC's Resilient Infrastructure: Physical Climate Risk Assessments for Defensible Decision-Making[8] demonstrates how risk assessments can support real-world resilience outcomes.
- Ensuring resilience measures consider community outcomes and avoid maladaptation, including the transfer of climate risks to other communities, sectors, or future generations (see IGCC's Just Adaptation: Introduction for Institutional Investors[9]).
- Establish clear responsibilities and implementation timeframes for regulatory reforms within the Plans.

IGCC acknowledges that some regulations are set at the national level. In these cases, the Victorian Government may need to advocate for or request reform rather than implementing it directly.

Developing longer-term adaptation pathways beyond 2031

As outlined in the Victoria's Climate Science Report 2024, Victoria will continue to experience increasing physical risks from heat, bushfire, flooding, coastal inundation, and other hazards over the coming decades. The government, therefore, has a responsibility not only to manage current and near-term risks, but also prepare for a future climate that will differ substantially from historical conditions.

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[7] IGCC (2026) Supercharging Australia's Future: IGCC Policy Priorities 2026-30 https://igcc.org.au/wp-content/uploads/2026/03/IGCC-Super-Charging-Australias-Future-Policy-Priorities-2030.pdf

[8] IGCC (2026) Resilient Infrastructure: Physical Climate Risk Assessments for Defensible Decision-Making https://igcc.org.au/wp-content/uploads/2026/05/IGCC-Resilient-Infrastructure.pdf

[9] IGCC (2026) Just Adaptation: Introduction for Institutional Investors https://igcc.org.au/wp-content/uploads/2026/06/IGCC-Just-Adaptation-2026.pdf

IGCC supports the development of 5-year Plans and recognises their value in driving near-term action. However, major resilience investments often have long planning, approval, financing, and construction timeframes. Therefore, the Plans should be supported by longer-term adaptation pathways extending beyond 2031, which should be reviewed and updated every 5 years.

Longer-term adaptation pathways would:

- Provide greater certainty for public and private investment.
- Help prioritise major resilience investments.
- Support the orderly sequencing of infrastructure upgrades.
- Reduce the risk of maladaptation and stranded assets.

The pathways could be included in the Plans, although IGCC recognises that this may require changes to Victoria's Climate Action Act 2017, or be provided as supplementary policy documents.

Further information

IGCC welcomes ongoing engagement with the Victorian Government as this work progresses. Please contact us for more information.

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