

2026-27 Budget Estimates Hearing Climate Action Portfolio

Public Accounts and Estimates Committee
18 May 2026



Energy,
Environment
and Climate Action

We acknowledge and respect Victorian Traditional Owners as the original custodians of Victoria's land and waters, their unique ability to care for Country and deep spiritual connection to it.

We honour Elders past and present whose knowledge and wisdom has ensured the continuation of culture and traditional practices.

DEECA is committed to genuinely partnering with Victorian Traditional Owners and Victoria's Aboriginal community to progress their aspirations.

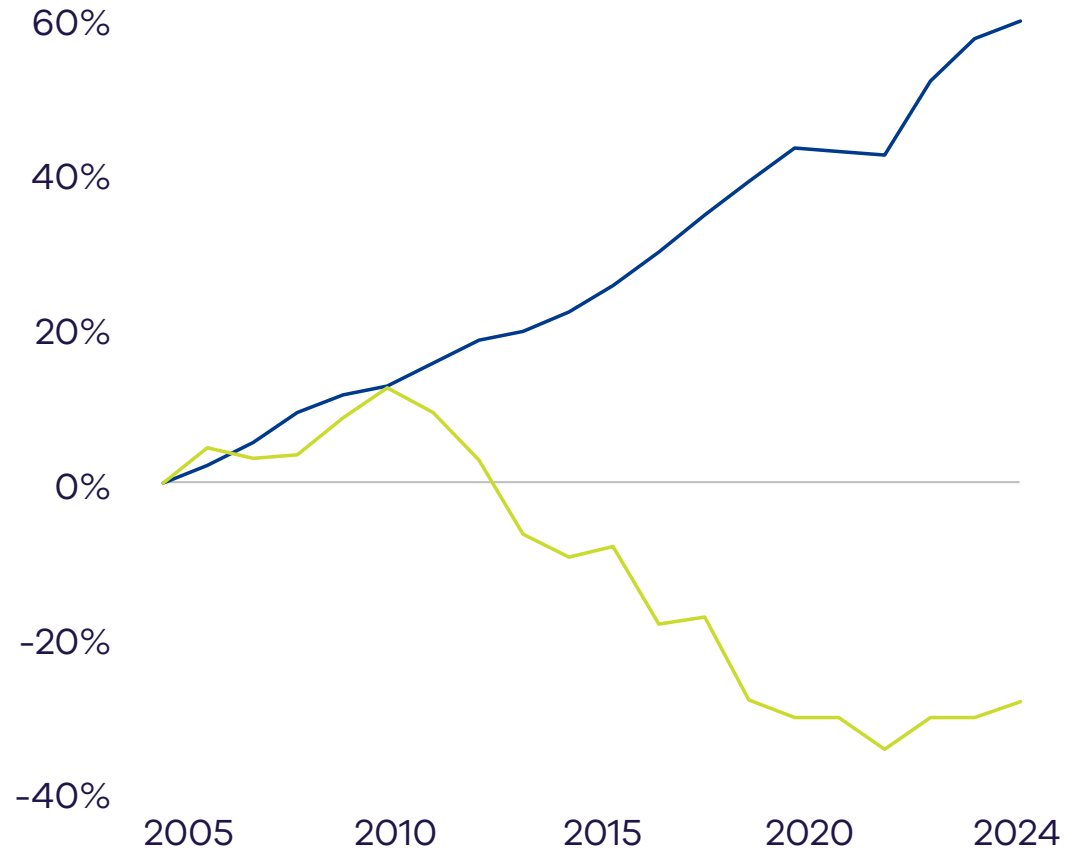


Victoria: Leading climate action

- Delivering real cost-of-living savings for households and businesses
- Driving strong economic growth while cutting emissions
- Creating jobs, building resilience and strengthening communities



Driving strong economic growth while cutting emissions



Gross State Product has grown by **59.9%**

Reduced emissions by **28.5%** and are within range of our 2025 target

Victoria is leading the nation in climate action

44.6%



of electricity produced by renewable energy in 2025, and Victorian wholesale power prices were consistently the lowest in the country

30%



of Victorian homes have solar installed

100%



of electricity supplied by the SEC for Victoria's public schools, hospitals, trains and other government operations is from renewable sources

15x more



zero emission vehicle sales compared to 2020-21

1.8 million



hectares of state forest protected by ending native timber harvesting six years early



Earliest net zero emissions target of any major jurisdiction in Australia



First jurisdiction in Australia to set a 2035 target



Nation-leading minimum energy standards for renters (one-third of Victorians)



Biggest energy storage targets in the nation by 2035



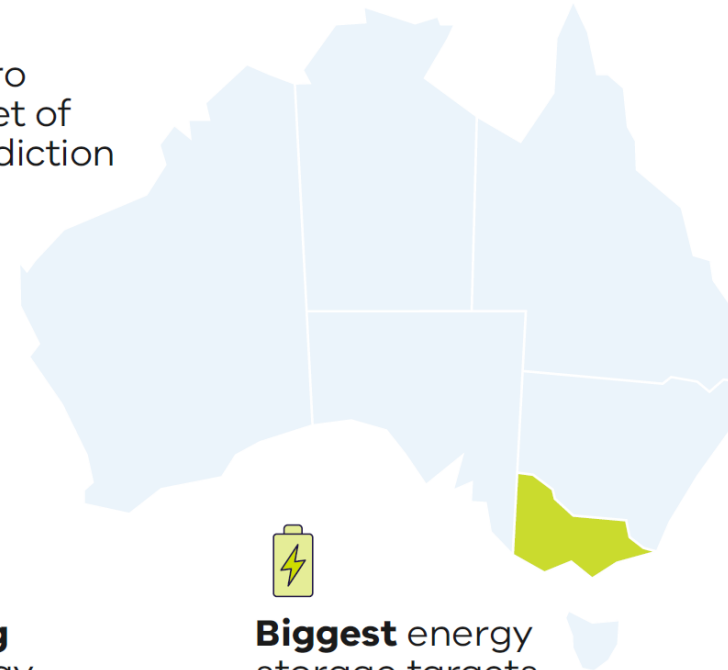
Halved emissions per person since 2005



First Gas Substitution Roadmap in the nation



Brought back the SEC with a \$1 billion initial investment



Victoria's Climate Change Strategy 2026-30 sets our direction

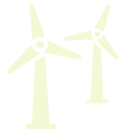
- The **Strategy showcases the breadth and depth of climate action in Victoria**, from the transition to renewable energy, providing Victorians with greater sustainable transport options, to supporting Victorian farmers to lower their emissions.
- The Strategy is backed by **\$8.5 billion** of investment announced since the last Strategy in 2021.
- The 2026-27 budget commits a further **\$2.4 billion to climate action over the forward estimates**.



The 2026-27 budget invests in Climate Change Strategy Priorities



Helping households with the cost of living and lowering costs for business



Building for the future



Putting jobs and workers first in the transition



Protecting kids, families and communities

Helping Victorians reduce their energy bills by switching from fossil gas to cheaper, cleaner options

- **\$28.1m** extension of Solar Victoria hot water rebate
- **\$10m** energy efficiency and electrification upgrades for community housing sector
- **\$2m** Cheaper Home Electric Energy Program supporting Victorian families to switch from gas to electric

Reducing our transport emissions while providing cheaper and more reliable transport options for Victorians

- **\$432.5m** for free and half price public transport until end 2026
- **\$739m** to modernise and expand the capacity of Victoria's public transport system, including more trains, more often, new and improved bus and ferry services, and better safety and accessibility of Melbourne's train and tram network.

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Helping households with the cost of living and lowering costs for business



Building for the future



Putting jobs and workers first in the transition



Protecting kids, families and communities

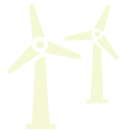
Investing now in the infrastructure Victoria needs for our renewable energy and net zero transition

- **\$124.5m** for Victorian Renewable Energy Terminal development at the Port of Hastings
- **\$26.7m** toward the build out of Victoria's electricity transmission network
- **\$537m** for 25 new bigger and better X'Trapolis 2.0 trains
- **\$76.4m** for electrification of the Melton line
- **\$7.4m** to support Victoria's work on the new Marinus Link electricity interconnector to Tasmania

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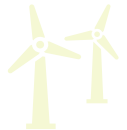
Growing skills and supporting our industry and workers to thrive through net zero transition

- **\$40m** to build the skills needed to support the energy transition, including establishing a Victorian Renewable TAFE Centre of Excellence and contributing to the National Training Centre in New Energy Skills.
- **\$15m** for electrification and energy efficiency for food manufacturing and agricultural sectors
- **\$10m** to support Victorian energy supply chain businesses to diversify

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Building for the future



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Protecting kids, families and communities

Supporting disaster preparedness, response and recovery

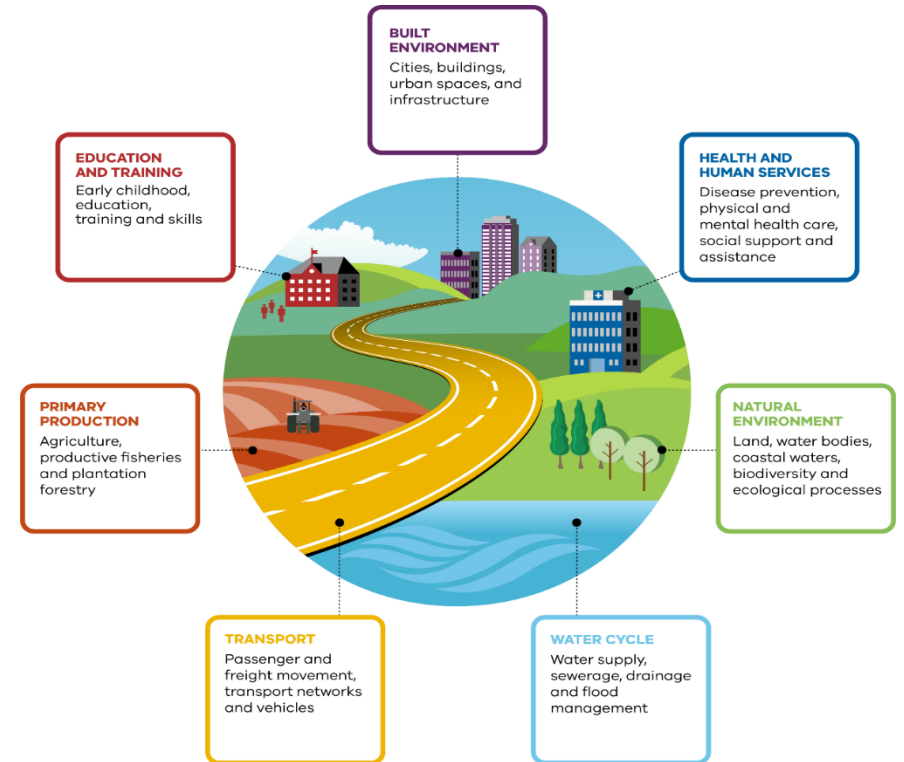
- **\$338.9m** for disaster preparedness, response and recovery including:
 - \$310.7m to ensure emergency management services have the facilities, equipment and capabilities they need to protect communities
 - \$25.6m for additional planned burns and other fuel management activities, prioritising high-risk areas
 - \$2.4m to update Local Flood Guides and Municipal Flood and Storm Emergency Plans
- **\$10m** to continue Future Forests program to assist in the management of state forest following transition out of native timber harvesting.

Climate Action in 2026-27

We are continuing to drive new action that delivers benefits for communities, our environment and the economy.

- Delivering **Adaptation Action Plans for 2027-31** for statewide systems critical to Victoria's resilience
- Independent advice on **setting Victoria's 2040 emissions reduction target.**
- **Influence Commonwealth policy** to further drive Victorian emissions reductions and progress coordinated adaptation action.
- Continuing to transparently report on Victoria's greenhouse gas emissions and our **progress towards our emissions targets.**

Adaptation Systems



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