

CEDA Climate and Energy Summit 2025

1 May 2025

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Check against delivery

I begin by acknowledging the Wurundjeri Woi Wurrung people of the Kulin Nation as the traditional owners of the lands we come together on today, and pay my respects to their elders, past and present.

I should also acknowledge that there is a federal election on – you may have noticed! – so the Climate Change Authority is operating in line with the caretaker conventions.

For those unfamiliar, the caretaker period of government commences when the House of Representatives is dissolved following the calling of the election, and concludes when the outcome of the election is clear – in the case of a change of government, when the new government is sworn in.

The day-to-day business of the federal government obviously must continue, but there are caretaker conventions, followed by successive governments, which seek to ensure that the caretaker government's actions do not bind an incoming government and limit its freedom of action.

So the caretaker government will not make major policy decisions, make significant new appointments, or enter into major new contracts.

The conventions also provide guidance on the conduct of public officials during this time. This includes that officials should avoid speaking on controversial issues.

And so here I am today, two days before the federal election, speaking to you on climate change and energy. What could possibly go wrong?!

I will necessarily be sticking to 'factual issues', as seen by the Climate Change Authority.

If you find you have more than a passing interest in these arcane matters of the federal bureaucracy, you can find the caretaker convention guidelines on the website of the Department of the Prime Minister and Cabinet.

Let me thank the CEDA team for bringing together yet another impressive event, and the many senior colleagues from leading public and private sector partner organisations who have taken the time to come together for today's important conversations.

We are meeting at a challenging moment in the global and national effort to address climate change.

Through the actions of the United States Government, and the responses to those actions, international trading relationships and multilateral partnerships that trace back to the end of the Second World War are being undone and redefined. This is shifting some of the underlying foundations for climate cooperation.

We've seen cost of living shocks re-shape both government policy priorities and private sector plans.

Net zero by 2050 remains a shared global goal and we are seeing encouraging progress towards this; last year the world invested almost twice as much in clean energy as it did in fossil fuels.

But common ground is getting harder to find among the Parties to the Paris Agreement on the important implementation details – like how fast we transition to clean energy, and how we finance this necessary shift.

All this comes against a backdrop of climate impacts that are becoming more frequent and severe –

...from the unprecedented winter bushfires that devastated Los Angeles in January

...to the record-breaking flooding in outback Queensland in recent weeks which is estimated to have killed half a million head of cattle

...and yet another mass bleaching on the Great Barrier Reef – the sixth in just under a decade.

Here in Australia, we are deep into the ‘doing’ phase of the necessary overhaul of our energy system. This brings challenges we’ve never had to grapple with at this scale before.

We’re having real conversations with communities – no longer hypothetical ones – about what gets built, where, and how the benefits and costs will be shared.

We’re working through hard decisions about trade-offs and competing priorities on complex issues like land use, environmental protection and industrial change.

We’re trying to find middle ground on topics where people of good conscience can – and do – disagree.

And we’re coming up against very practical obstacles like workforce capacity, supply chain constraints and industry know-how, as we try to move at a scale and pace that reflects the urgency of the task.

So, the challenges we’re facing feel pretty daunting right now.

But, **we are making important progress.**

In the last quarter of 2024 renewables provided 46% of the power in our main national grid on average, reaching over 70% at times.

Over 4 million homes and properties already have solar panels on the roof.

Some of the nation’s leading businesses are switching to renewables to power their operations – companies like BHP and Rio Tinto, and Bunnings.

This progress should give us the confidence to keep going, to keep building on our momentum.

With this in mind, I will share with you some perspectives from the Climate Change Authority about the priorities still ahead. These should be reasonably familiar to those of you who have read our reports over the last few years.

The Authority has a unique role providing independent, evidence-based advice on climate science, policies and progress.

We have established a strong track record of calling things as we see them, based on the evidence before us, and drawing on our own expertise and yours – through the extensive consultation that we undertake.

Starting with the basics... the climate is warming and human activities are responsible for almost all of this.

The concentration of greenhouse gases in our atmosphere reached the highest level on record in 2024 – more than 50% higher than in pre-industrial times.

This contributed to 2024 being the hottest year recorded in over a century, and the first year global average temperatures spiked 1.5 degrees above the baseline used for tracking global warming.

Sea-level rise, glacier melt, ocean heat uptake and ocean acidification are also happening at accelerating rates.

Science tells us that current warming is happening roughly 10 times faster than the rate of warming during climate transitions in geological history.

That’s because greenhouse gas concentrations are increasing hundreds of times faster than they did from natural sources in the past.

Now, the one bit of good news in climate change being caused by human activity is that by changing this activity, we **can** halt the rapid rise in global temperatures.

But we need to act fast.

The remaining global carbon budget for limiting warming to 1.5 degrees – in line with the Paris Agreement goals – is around 235 billion tonnes.

This budget will run out in **just 6 years** if the world keeps pumping out pollution at the current rate.

Getting emissions down is a global challenge, and countries need to act together. That means every signatory to the Paris Agreement doing as much as it can, as soon as it can – because later will be too late.

This is the context in which Australia's next government will be setting a national emissions reduction target for 2035.

The Authority is continuing to develop our advice on this target and we expect to provide it to government in the near future.

Australia's actions can, and will, make a difference in this global fight.

Overhauling our domestic economy with zero emissions energy sources, technologies and practices will directly reduce emissions and send important signals about what is possible for other advanced economies like us.

For example, Australia's world-leading uptake of rooftop solar creates both opportunities and challenges that we are learning more about all the time.

Our energy market regulators and operators are nailing down the solutions needed to harness phenomenal amounts of very low-cost energy generated from millions of different sources in the middle of the day, and send the right market signals to secure a clean, reliable energy mix around the clock.

In doing so, we will learn important lessons we can share with our partners to accelerate their progress.

Australia can also strengthen global supply chains for low and zero emission goods through new trade partnerships – becoming a provider of choice for critical minerals, green metals, energy storage, low carbon liquid fuels, zero emission data centres and more.

Scaling up these new export industries can boost decarbonisation efforts beyond our shores, helping to cut emissions globally.

Australia has the potential to reduce global emissions by over 5% through the production of green iron and aluminium alone.

The more Australia can produce and export other green goods, the bigger our global contribution to emissions reduction will be.

And Australia's active participation in international forums, like the United Nations COP meetings helps, to keep global progress moving forward – even if slower than we'd like sometimes.

Australia has a proud history of brokering successful international efforts – like the global moratorium on whaling, protecting Antarctica from mining, and the Montreal Protocol to reverse the depletion of the ozone layer.

The dialogue fostered through these global forums matters most when partners aren't all on the same page; when there are tough implementation challenges to work through...moments like the one we're in right now.

So what Australia does matters – in the emissions we avoid at home, the progress we help unlock for our partners, and the standards we join with others to set globally.

The clean energy transition is now well underway around the world.

Last month, Bloomberg New Energy Finance released its New Energy Outlook for 2025 – one of the world's most comprehensive reviews of economic, technology and investment trends in this space.

Despite the recent global turbulence, BNEF has upgraded some of its estimates on renewable energy and clean tech deployment in the decades ahead.

Why? Because as they put it: *"these technologies continue to show advantageous and improving economics, which ultimately drive their adoption to unprecedented levels."*

Bloomberg found innovation and investment drove the global cost of typical solar farm modules down more than one-fifth in 2024; for batteries, the dive in costs last year was one-third.

As a result of these trends, BNEF projects that, globally, renewable energy generation will increase 84% in the five years to 2030 and then double to 2050.

They see the share of coal, gas and oil in the power system more than halving by 2050, to just 25%.

By the middle of this century, two-thirds of all passenger vehicles on the road are expected to be electric, compared to just 4% now – that's one billion zero emissions cars by 2050.

BNEF sees a world where no matter what firms and households think of climate change, they will choose the most cost-competitive mix of technologies – and many of those technologies are renewable.

Attractive investment and policy settings here in Australia can harness these trends to make our nation a priority destination for global capital.

Leveraging our abundant clean energy resources, we can stake a prominent place in the new 'friend-shored' supply chains that will be needed to support this massive growth globally.

There is a once-in-a-century transformation underway and it's speeding up – not slowing down – as the economics get better and better.

We need to look through some of the near-term policy volatility, so we don't miss the boat on the big opportunities unfolding before us.

In the Authority, we consider there are things that need focus here in Australia so we can seize, and make the most of, these opportunities.

Australia can put **competitiveness** and **productivity** at the centre of a pro-growth climate agenda which delivers for people and businesses, as well as the environment.

Governments should insert themselves into markets only to the extent necessary to get these working well.

Don't get me wrong – right now, that is necessarily quite a bit, given the urgency and magnitude of the net zero transition, and the coordination needed across levels of government, industries, regions and communities.

And they should be prepared to use more creative levers than just spending when they do.

A pro-growth agenda means making it as easy and efficient as possible for businesses to comply with climate rules and regulations.

Harmonising and standardising approaches across jurisdictions and sectors where we can, will help here – while ensuring this drives a race to the top, not the bottom.

We also need to ensure we are prioritising equity and empowerment in the next wave of policies to come.

We know that practical climate action can deliver real benefits – lower power bills, energy independence, homes that are safer and more comfortable to live in, good jobs in growing industries.

We should work to ensure those benefits are shared equitably.

And the energy transition, together with all the other changes it will unlock, needs to be led to the greatest extent possible *by* communities.

My excellent colleague at the Net Zero Economy Authority, CEO David Shankey, has a useful phrase here: we will transition at the speed of trust.

What builds trust? Empowerment and self-determination. Listening and mutual respect.

Governments can set the decarbonisation direction in conversation with a wider range of voices:

- ...young people and small businesses
- ...First Nations communities and suburban families
- ...inventors and innovators
- ...people working the land in regional and remote Australia.

That's how we can ensure solutions really work on the ground, and build durable support for necessary change.

Finally, we must ensure we are adapting to the risks and challenges of a changing climate – even as we accelerate efforts to reduce emissions further and faster.

That means assessing whether the policies and regulations we have are fit for purpose in preparing Australia for the climate risks we'll face in the future.

More clearly communicating and explaining what we already know about the risks different communities face is another practical step.

And we need to invest more in the infrastructure and systems that build resilience – because it'll cost us a fortune if we don't.

The Climate Change Authority has not traditionally had a big focus on adaptation; advising on how to build a thriving low emissions economy has been our top priority.

But the fact is climate impacts are here and now, and increasing. Australia needs to be better prepared.

The Authority wants to help governments and communities get ready by providing the same kind of rigorous, independent and expert advice we already provide on climate science and mitigation.

So these are the challenges and opportunities facing Australia that we're focused on within the Authority.

They're the challenges and opportunities that all of you will continue to grapple with in your own work and communities, too.

I'm optimistic that the smarts, goodwill and commitment of the people in this room, and the many, many others I have had the good fortune to interact with during the 15 years I have been working on these issues, are very much up to the task.

Thank you.

[ENDS]