



# AICD Climate Governance Forum 2025

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**Mr. Brad Archer**

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**Keynote address**

*Check against delivery*

May 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'm very pleased to be here to address today's forum on behalf of the Climate Change Authority and our Chair Matt Kean. Matt is attending a climate roundtable discussion being hosted by the federal climate change and energy minister, Chris Bowen, so I trust you will forgive his absence.

I know Matt would have enjoyed presenting at this event, and joining such an esteemed panel afterwards. Thank you for giving us the opportunity.

Ali Moore, of course, is a much-admired journalist in this city and beyond. I hope she will go a little easier on me than she might have with Matt.

Vanessa Sullivan brings a rich corporate history, including her current roles at AGL and the CSIRO. Geoff Summerhayes has, of course, helped lead debate about the climate responsibilities of our corporations and financial institutions for many years.

It will be an honour to join them for the panel discussion.

This forum is taking place in what is a pivotal year for many in this room when it comes to mandatory climate disclosures.

These requirements extend to companies that are either large in size by revenue, assets or employees, or are significant emitters of carbon dioxide ... and often, all of the above.

The action part of this event's title, in other words, is already under way. More corporations will need to assess and disclose their climate exposures in the coming two years.

As for the ambition part of today's theme, many of you here may be a tad disappointed but not surprised if I can't make certain declarations here today.

That is, the Climate Change Authority can't yet reveal our advice to the Government on what Australia's 2035 emissions reduction target should be at today's Forum.

What I can say is that our work is well-advanced, and the recommended target will – as our Chair has said previously – be ambitious and responsible, in line with what the scientists are telling all of us.

The target will also be achievable because the economy and society must be brought along on this journey.

Journeys, as you know, usually go better when we have a firm destination in mind. That's why we set targets in the first place.

The more nimble of you in this audience are already a long way down the disclosure track. And reorienting your businesses to counter the risks and leverage the opportunities of a world transitioning to net zero emissions.

After all, first-movers often have an advantage, as we know. And there will be significant opportunities for those companies that can anticipate the new markets that are opening, and grab them.

That's the "carrot" part of the equation.

The "stick" part is less appealing, of course, but it is there, nonetheless.

"Climate change" is probably a softer description of what's unfolding now than "truth in advertising" would suggest.

Let me cite a couple of examples.

You may be unfortunate to live or have a business in a region where the flood risk is rising. As we know, our hotter atmosphere holds an extra 7 per cent more moisture per degree of warming, so such risks will rise along with the mercury.

You may have seen your insurance premia soaring – assuming you are still being offered insurance.

The "change" part of "climate change" may be rather abrupt in such circumstances.

Similarly, as Matt Kean noted in a recent speech to scientists in Cairns, we are just coming to terms with what the compounding threats of a warmer world might look like.

Matt cited recent research led by Ben Hague, a Bureau of Meteorology research scientist, that examined how the northern New South Wales town of Ballina was hit by a combination of riverine flooding and high tides in 2022.

That event resulted in thousands of homes and businesses being inundated, and hundreds of emergency rescues.

What's so special about that, you might ask.

Well, people naturally flock to picture perfect locations where rivers meet the sea – without calculating what might happen when you have floods meeting rising sea levels.

Add in a deep low-pressure system, that helps to elevate sea levels further, and the picture looks less than perfect.

History will not be so useful a guide to the emerging threats.

Dr Hague and fellow researchers made some sobering findings.

They examined how present-day extremes for 37 tide gauges around Australia would change in the future.

If we experience up to 1 metre of sea-level rise, compared with the pre-industrial era, 85 per cent of those 37 locations could expect to experience on 30 days of every year what is currently the extreme coastal flooding event experienced in each location every 100 years.

Now, to be clear, those projections are NOT forecasts.

For one thing, we in Australia can cut our greenhouse gas emissions, together with other countries around the world.

Every portion of a degree of Celsius that the planet doesn't warm means wild weather extremes are made just that little bit less likely.

But we know that a lot of the change in the near term, at least, is locked in. We are going to need a better fix on our risks, and then address them.

Some of you will have noted the Productivity Commission had quite a bit to say about climate adaptation in its interim report on the net zero transformation, released on Monday.

The Commission's draft recommendations included the call for a creation of a database covering all climate hazards.

It also recommended Australia have a nationally consistent climate resilience star-rating system for housing.

Housing vulnerabilities, as it happens, were the topic of a report the Climate Change Authority released earlier this year, and I commend you to add it to your reading list.

The Productivity Commission did not call for a star-rating system for commercial buildings, but I suspect many here today will have their own assessments under way.

It's NOT my business to prompt engagement but I do note the PC will take submissions on its report up until 15th of September, if you feel so inclined.

The Commission's interim report also includes a draft recommendation that the Climate Change Authority be given responsibility for monitoring, evaluating and learning in relation to climate adaptation policy.

Whether it's the Climate Change Authority or another agency, the task will be to apply the same independent, robust and evidence-based approach to adaptation as we have to the advice on cutting greenhouse gas emissions.

The Government, as you may know, has been working for some on Australia's first National Climate Risk Assessment and related National Adaptation Plan.

You can tell from the materials already published in its First Pass report that the perils we face are significant but not insurmountable.

After all, we do have agency.

Here in this room, in our communities and governments, what we each do individually might not seem significant.

But multiply that by millions – indeed, billions – of actions, and I defy you to write those efforts off as pointless.

Now, I have talked at length about the “stick” part of climate action. I have to admit it can be grim, even debilitating to dwell on the downside.

However, the agency we have extends to innovation. It's the ultimate ‘renewable energy’ source.

The directors in this room didn't get where you are today by accepting what you found when you joined your organisations.

By determination and enterprise, we advance. And the same goes for grabbing the “strategic values” offered by the net zero transition, to circle back to the theme of this forum.

The emerging technologies – powered increasingly by machine-learning – present enormous opportunities for our businesses to be more profitable, and for us to do more with less.

Productivity never goes out of fashion.

If you listen to experts like Jigar Shah, we have cause for optimism.

Mr Shah was the former director of the Loan Programs Office as part of America's Inflation Reduction Act.

He told audiences in Sydney last week that waves of technological advances are in train – no matter what the present incumbents in the White House do to those very same IRA loans.

The energy density of batteries, Mr Shah predicts, could double, with the gains potentially retrofitted to existing storage.

We already have battery prices shrinking at a rapid rate – even without government subsidies.

Recent large-scale auctions in China, for instance, resulted in winning bids that had battery prices roughly one-third of what our grid operators have presently priced into their models.

This forum is not intended to be an energy-centric event. But if I can add one more dose of optimism, it's about the scope for businesses to grab more of the benefits of falling prices for solar PV and storage.

Bruce Mountain, head of the Victoria Energy Policy Centre, has estimated the rooftops of commercial and industrial buildings have sufficient space to supply all of Victoria's energy needs.

As of last year, only about 7 per cent of that opportunity had been seized.

Other tech gains will provide productivity benefits. For those benefits to be maximised and shared with some equity, we must ensure our markets remain competitive so the dynamism we need to drive the decarbonisation of our economy is as vibrant as possible.

For a relatively small economy like Australia, where monopolies or duopolies can predominate, it's imperative our market watchdogs are hyper-vigilant and have bites matching their barks.

Now, remember how I began this speech talking about the need to have targets to make our destination clear?

I wish to end this particular journey with some brief comments about policy certainty.

We often hear businesses crave policy certainty, but we find ourselves scrolling through the news each morning to brace for whatever new twist or turn is coming from abroad.

In that setting, it's hard not to be rendered numb by the information overload.

Australia, at least at a federal level, offers something of a counterpoint.

Irrespective of your views on the federal election outcome and on the climate change policies of the current government, we do have the prospect of some stability when it comes to the means and direction of travel when it comes to climate policy for the period ahead.

For now, there will be no reversing course.

So you have some certainty on what's expected of you as directors when it comes to climate disclosures.

You might also have a good sense of what the government's other decarbonisation efforts – from the safeguard mechanism to supporting renewables – will mean for your organisations.

The direction of travel, then, has been set but the speed you advance will ultimately be up to you.

Let's be bold - and get on with it!

Thanks for listening, and I look forward to joining the panel, and taking your questions.