

# Momentum – Commonwealth Bank of Australia sustainability conference

26 November 2025



**The Hon Matt Kean**

**Chair - Climate Change Authority**

**Keynote speech**

*Check against delivery*

May I begin by acknowledging the Traditional Owners of the Gadigal people of the Eora Nation, and pay my respects to elders, past, present and emerging.

And can I encourage all of you here to read the first section of the Government's inaugural National Climate Risk Assessment, released in September.

That section details the perils Aboriginal and Torres Strait Islanders face from a warming planet, particularly in northern Australia.

Higher humidity, more frequent disruptions to already strained logistics links, and as severe tropical Cyclone Fina reminded us just this week, the prospect of more intense cyclones.

Many remote communities already have it tough, and the challenges won't get easier.

And that's why this is such a critical time for CommBank to be holding this Momentum sustainability conference.

Thank you for inviting me to speak and, later, to join a panel of esteemed friends and colleagues.

Today, I want to explore some of the conversations we're having right now, and initiate a few that we should.

Now, I suspect I'm not alone in this room in knowing what a long haul it is to get to Belem, Brazil and back, and how you need a few days for the jetlag to fade.

But what's NOT fading is my conviction that the winds of decarbonisation are gathering strength, globally.

It would be an economic and environmental folly if Australians ignored – or worse, tried to resist – the changes that are sweeping through capital markets, propelling technology, and turning smart ideas into reality.

We'll face much higher costs at home and surrender remarkable export opportunities if we turn our backs on the future.

To do so would run counter to our own national interest, and the interests of generations of Australians to come.

Instead, we should anticipate and embrace what's coming with the same sunny optimism that has long been a national trademark.

Now, I suspect the organisers of this event would have looked at the calendar a few months back with some upbeat optimism of their own.

After all, this event was teed up to be the first major sustainability conference in Australia in the wake of a successful COP31 bid.

A whole year of climate-related events would have beckoned in the run-up to Adelaide next November.

OFFICIAL

That's not to be, of course.

The message today should be that we must set aside any disappointment with the COP outcome. The same conversations are needed – and the same imperatives exist – no matter where the next global summit is held.

COP30 might have sent mixed messages about national commitments promising to take serious action to curb emissions and to phase out fossil fuels.

But having attended Belem, I can tell you the energy transition is very much in train.

In short, the electrification of everything, led by plunging prices of solar PV and batteries, is transforming economies, here and almost anywhere the sun shines.

A lot of that is thanks to China's stellar expansion of its clean energy production.

The Economist recently reported, they can produce one-terawatt of renewable energy capacity a year – that's as much as 300 big nuclear power plants (not those small, modular ones we often hear about).

Each doubling of PV output has shaved prices by 30%, so that a solar panel last year cost about one-twentieth the price it did 20 years earlier.

Brilliant researchers at the University of New South Wales and elsewhere are beavering away to make sure those prices keep falling.

China already gets more revenue from exporting clean energy products than the US earns from fossil fuel exports.

Of course, China makes and exports coal-fired power plants too, but in places like Pakistan, solar imports now mean within just a few years they have added as much PV generation capacity as the country's entire installed power system.

A system, The Economist notes, that had recently been augmented by 4 brand new coal-fired power plants, the usefulness of which is now in serious doubt.

Now let's have a chat about transport – where battery price falls are upending convention just as fast.

You may have seen the Climate Change Authority's decarbonisation pathway for transport that we mapped out in our Targets advice a couple of months ago.

It happens to be one of the fastest growing sources of emissions in Australia – but we think it's an arc that could soon begin to plateau and then bend lower.

Our illustrative scenario for achieving the 2035 target includes half of all new car sales being electric vehicles over the decade. A view that some commentators promptly dismissed.

After all, aren't EVs only about 15% of the market?

Well, globally, the EV share last month of all new cars sold worldwide passed 30% for the first time, according to Bloomberg New Energy Finance.

True, there was a bit of rush in the US to buy EVs before a tax credit, scrapped by President Trump, ran out.

This month, the global EV average eased back to a 28% share, but that's well above the roughly one in five share for 2024.

EV sales in Germany are running at 50% above this time a year ago, while EVs have claimed a 60% share of the market in the Netherlands, Bloomberg says.

Some Australians remain wary about the availability of off-street charging or the provision of fast-chargers along our main highways, so they're hedging their bets a bit.

Still, the combined EV and hybrid share of our market keeps growing. In September, internal combustion cars fell below a 70% share of Australian sales for the first time, and the traffic seems to be heading one way.

Another staple of transport conversation has been the challenge of reducing pollution from our bigger vehicles, such as heavy trucks.

Don't we have to wait for green hydrogen to become cheap before these juggernauts can nullify their emissions?

Well, China is busy steamrolling that notion, too.

A report out last week noted 9.2% of new heavy truck sales were EVs in the first half of 2024.

That's quite impressive; but fast-forward to the first half of this year, and the share had risen to 22%.

For all of 2026, analysts now project that proportion will jump to 60% of new truck sales. And that's in the world's second-largest truck market.

Another conversation we should have is about energy efficiency. Sure, it's not as flashy as a convoy of chromed-up, EV B-Doubles, but it's a major force in reducing emissions and saving consumers money.

Take heat pumps, an engineering miracle not unlike solar panels, when you think of it: one snatches energy from the sky, the other exchanges heat with the air or the ground.

That solar-powered heat pump combo might almost be an energy nerd's Nirvana.

Anyway, Australians installed more than 100,000 heat pumps – for hot water and heating – in both 2023 and 2024. That was a 5-fold increase from 2019. Industry, too, is jumping on board this wagon.

Electricity prices are another topic we can't avoid mentioning.

Indeed, I'm often asked in media interviews, as I was yesterday, when I think electricity prices will come down.

Fair enough. One answer is to say, who knows?

Perhaps a major coal-fired power station will break down – not an implausible outcome as the remaining generators near the end of their design life.

Those calling for ageing plants to be "sweated" puts me in a sweat, just thinking about it.

Another answer is to cite the Australian Energy Markets Commission.

They reckon household power bills could fall by 20% – saving about \$1,000 a year – over the next decade IF the renewables rollout is coordinated.

And homes that go fully electric, adding solar panels and heat pumps, and powering up their EVs, well the AEMC reckons overall energy bills could drop 70%.

As an aside, the Government's new home battery subsidies have already clocked up almost 140,000 installations since July.

The Commission's estimates did NOT factor in that rapid pace of households snapping up storage. Their addition also helps ease prices for everyone by reducing the need for networks and other investments.

While we're on positive conversation points. Here's another: Wholesale power prices have lately been coming down – steeply.

How many of you here will have heard in the media that September quarter wholesale prices were 38% down on the June quarter – and a handy 27% below the September quarter of 2024?

I'm guessing not too many.

As wholesale prices make up about a third of the total bill, those reductions will help, if they can be sustained.

But are electricity prices really such a huge part of our spending?

The media would have you think so, given the share of coverage they devote to the issue. You'll hear more today after power prices jumped in the year to October as government rebates ended.

And yet, a typical household presently spends more on automotive fuel – assuming you're not driving an EV – than it spends on electricity. That's according to the basket of goods and services compiled by the Australian Bureau of Statistics.

Now, the average household spends way more on interest payments than electricity. If you're renting, you're likely to spend 3 times as much on your rental as you do on electricity.

A typical household even spends more on tobacco than electricity, based on that ABS basket.

Beer, too, accounts for a larger slice of our spending, with wine just a bit less.

That's not to dismiss the issue of energy prices when the budgets for many are being squeezed. It is important, though, to keep things in perspective.

Perspective, it seems, is often the first casualty in the climate wars.

Take the discussion about Tomago, Australia's largest aluminium smelter, and its efforts to secure competitively priced electricity.

We definitely hope it remains open and governments are working on solutions.

Power accounts for about 40% of Tomago's operating costs, so it's no wonder they want to minimise any increase when their long-standing, ultra-low power deal expires at the end of 2028.

The jolt is not to be dismissed, either. But it can't be blamed on renewable energy.

Once their deal expires, the owners of Tomago would have faced much closer to market prices even if Australia hadn't installed a single solar panel or wind turbine.

It's a bit like having a low-interest mortgage, fixed for 3 years during the depth of the COVID-19 pandemic. When the term ended, interest rates reverted to market levels, not a painless adjustment.

One more conversation point about energy prices.

We hear lots of big numbers being thrown about the cost of the energy transition.

As I mentioned before, most of our coal-fired power stations are nearing the end of their design lives, and quite a few gas ones, too. We were always going to have to spend a swag load of money on new kit.

Logic should tell you that it's best to seek the cheapest replacement generation, and that's firmed renewables, particularly solar and storage.

You might try to construct coal plants, but they would take years to build and that won't solve any supply issues now. And that assumes you can get insurance for the plant.

Plus, you have to consider the cost of the fuel both directly, and the environmental costs that might one day be captured by a carbon price.

A flaw in the arguments put forward by fans of fossil fuels is shown in the latest quarterly data from the Australian Energy Market Operator I cited just now the ones that showed wholesale power prices were 38% lower than a year earlier.

There's a neat chart buried deep within AEMO's Quarterly Energy Dynamics report, Figure 20, in fact.

It shows coal and gas were cheaper than a year earlier based on so-called "earned or incurred" average spot prices.

For coal, it was a little over \$90 per megawatt-hour and for gas, the average was \$182.

By contrast, wind came in at \$63 and grid solar just \$26 a megawatt-hour.

So, any conversation about which fuels will most likely put downward pressure on power prices should be a short one.

Ok, I'm almost done with bowling numbers at you.

Remember, we still have our work cut out for us – even without an Adelaide COP.

Climate Change and Energy Minister Chris Bowen has secured the important task as a Co-President and lead negotiator for COP31.

As such, Australia can drive momentum when it comes to multilateral climate talks.

Yes, those talks can be both unwieldy and often frustrating but they have created diplomatic and governance space to act on climate that is now being filled by commerce.

Australia will also no doubt play a pivotal role in helping set up a pre-COP meeting in the Pacific before the main summit in Türkiye late next year.

This forum should enable Australia to showcase many of the ideas we would have highlighted in Adelaide.

After all, Pacific nations are on the frontline of climate change which is why Australia created its Pacific Engagement visa that allowed Tuvaluans to live and work here permanently.

More than one in three Tuvalu citizens – or about 3000 – applied for the visas. Australia has plans to issue 280 a year, and given the climate threats posed to our region, other nations may eventually seek similar arrangements.

Just as Adelaide COP would likely have advocated for a Pacific Renewable Energy Zone – the first of its kind in the world – there's no reason not to support such a proposal now.

The economics of ditching diesel and other fossil fuels in power generation for solar and storage – or other renewables – remain just as valid.

Australians have been helping to train Pacific partners in integrating renewables for many years.

Indeed, many of our remote inland communities are not connected to a large grid and they already act as energy islands. That expertise is very portable – and in high demand.

At COP30 that just concluded, Australia signed up with dozens of other nations to the Belem Declaration to Transition from Fossil Fuels.

In doing so, we committed to support nations to limit the use of these fuels in a just and equitable way...and take up renewables instead.

A penultimate conversation point – almost there – also came out of COP30. And that was South Korea's announcement it would shut all of its coal-fired power stations by 2040.

South Korea is the fourth-biggest thermal coal importer in the world, and Australia's third-biggest market for the fuel. The 62 plants to be shut supply almost a third of South Korea's electricity.

Notably, the Korean minister announcing the move, Kim Sung-hwan, said the move was not just “essential for the climate” but would help the nation boost its energy security, improve business competitiveness and create thousands of jobs.

The move serves as a reminder about why Australia’s Treasury – and my own Authority – anticipate Australia’s fossil fuel exports carry a sunset clause.

The sunrise clause, meanwhile, can be green steel, green aluminum, even green silicon, and greater demand for our critical minerals. These new industries can pick up any slack on the export front.

Ok, we’ve come this far, so let’s end with some cricket stats – sorry for any English fans in the audience today.

Now that I’ve regained your attention, let’s first remind ourselves about a couple of other numbers.

Not every year is going to be the hottest on record, globally, nor every month, but 2023 was the hottest on record until it was exceeded last year, and 2025 will be among the top 3 warmest years.

In fact, the world hasn’t posted a below-average year since 1976. A few years before I was born. You’re thinking, “well before you were born, surely”.

For Australia, the year to June was the hottest on record for mean, maximum and minimum temperatures. By calendar years, 2024 was our second-hottest year by mean readings, and easily the warmest year for minimum temperatures.

What’s that got to do with The Ashes, you may be wondering.

Well, I suspect many more of you are conversant in numbers when they relate to bat and ball.

Such as how many test centuries England’s Joe Root had scored in Australia. Any takers?

Net zero, did I hear?

Or the number of times Mitchell Starc has snagged a wicket in the first over of a Test? 25, if you’re wondering...

There may be a cricket stat that highlights English success – but none come to mind right now.

Can I close off this very long run-up with a plea for more of us to fixate on the critical climate figures at least as much as we do for cricket.

No less than the soon-to-return Aussie skipper, Pat Cummins, understood the big picture when he set up the not-for-profit Cricket for Climate group a few years back. He’s a champion on and off the field.

The group’s credentials are to be evidence-based, as ours must be too.

And their statement neatly sums up the state of play: “It’s game on for our planet”.

How’s that for a conversation ender? Thanks for listening.