

# Business Hunter Energy & Resources Lunch

26 March 2025

**The Hon Matt Kean**

**Chair – Climate Change Authority**

*Check against delivery*

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

Let me thank the team from Business Hunter, led by Michael Rose and ably assisted by Ellie Bright and her team, for organising today's lunch.

It's a privilege to be here to talk about the energy future of the dynamic Hunter region and our great nation, and share some insights from the work of the Climate Change Authority.

I'll also be happy to field your questions afterwards.

This visit is my second to Newcastle in just over a month, in my current role with the Authority. It's great to see some familiar faces from that trip here today.

In my former role as a senior minister in the NSW government, I visited frequently – but not as often to this stadium as I'd have wished.

Yes, there's the Knights and the Jets, but how'd I miss Elton John, Paul McCartney, and PINK?

My talk today happens to have more of a sporting than showbiz theme.

When it comes to combating climate change, the game clock is ticking down.

Last year was the hottest on record globally, beating – you guessed it – 2023.

If things keep trending the way they are with a warming climate, in the future these years may sadly rank as relatively cool ones.

The countdown is also underway towards Australia's legislated emissions reduction target for 2030. That's a 43% reduction below 2005 levels.

Targets matter because they send a crystal-clear signal to businesses like yours about where to invest, and help you spot the new market opportunities coming down the pipe.

They set out a shared national goal so that businesses, governments, communities, and households can all pull in the same direction to get good things done.

And they keep us on track to drive down emissions, so that we can keep our kids safe and our economy thriving in the years to come.

That's why I was a strong advocate for clear and ambitious emissions reduction targets as a senior Liberal minister here in NSW.

And it's why I'll continue to advocate for ambitious and achievable targets that are in our national interest through the work of the Climate Change Authority.

There's a lot of heat and noise around at the moment about how Australia is going towards our emissions reduction goals, so let me set out some facts for you.

In our Annual Progress Report late last year, the Authority found Australia is making progress.

Emissions are now down 28% compared with the 2005 baseline.

We have significant policies in place to drive emissions down further in major emitting sectors over the next few years – including electricity, transport and heavy industry.

As I'll speak further about in a moment, we are making particular progress in overhauling our grid, which is set to slash the largest source of national emissions in the years ahead.

The Authority's analysis *did* stress that Australia will need to nail the delivery of all these new policies, and pick up our pace to reach the national 2030 target.

Emissions fell by 3 million tonnes last year; they will need to fall by 15 million tonnes on average going forward.

Meeting the Australian Government's target of sourcing 82% of electricity from renewables by 2030 is central to this task. This work will need a laser focus for the next five years.

I think we all understand there's some tough play still ahead as we push up the field towards Australia's emissions and renewable energy targets.

But like a Knight or Jet, would you throw in the towel without giving it a red-hot go? Indeed, we should take heart from how far we've come already.

As I mentioned a moment ago, much of the progress Australia has made on reducing emissions has come from the electricity sector.

The National Electricity Market provides about 80% of Australia's electricity, serving all but Western Australia and the Northern Territory.

Emissions from the NEM dropped by more than 29% between 2005 and 2024.

In the December quarter of 2024 renewable sources provided a record 46% of the overall supply in the NEM on average, jumping above 70% at times.

That saw the contribution of coal-fired generation dip below 50% for the first time.

The combined capacity of Australia's rooftop solar installations now exceeds the total capacity of all our coal-fired power stations together.

Economics is driving this shift as much as emissions: renewables are the lowest-cost type of new build capacity today.

That means this shift is only going to keep accelerating as investors, businesses and households vote with their wallets.

Take solar, for instance. The price of solar modules for the roof on your home or business has plummeted, diving 94% between the time I entered state politics in 2011 and now. And they have further to fall.

During that time, the efficiency of solar panels has also increased markedly. It will continue to rise as the technology gets better and better – meaning more power for the same amount of panels.

Almost a year ago to the day, the federal government announced it would commit \$1 billion for the Solar Sunshot program to bring solar panel production to the site of former coal fired station, Liddell, not far up the valley from here.

Getting in on this market as it continues to grow rapidly – in Australia and around the world – could be a major opportunity for local Hunter businesses and workers.

Over 4 million Aussie homes now have solar on the roof, the highest penetration in the world. That's already a big achievement to take pride in.

But imagine if the next wave of homes and businesses that get solar can do so with panels made right here in the Hunter.

Solar farms in inland regions that can tap our abundant sunshine will be another source of demand for photovoltaic panels and renewable energy equipment – including basics like steel and glass.

This region – which has such a rich industrial heritage – can seize the bright opportunities of these and other zero emission industries. Forget 'jobs of the future'; these could be right here, right now.

When it comes to growing new markets and cleaning up our grid, innovation can be a real impact multiplier.

I was recently on a panel with Martijn Wilder, head of the Nation Reconstruction Fund, which has \$15 billion to invest.

Martijn told the gathering his board is considering nine proposals to build batteries in Australia. Interestingly, many of those would involve materials other than lithium – which is the main technology used for the batteries in EVs and home batteries today.

Local innovation in battery technology could drive down the price of storing clean energy in the grid, while driving up the number of clean manufacturing jobs on offer in Australia.

Just this morning I was visiting Allegro Energy, not far from here, a company developing water-based electrolyte batteries.

Innovation and investment right here in the Hunter.

It's an exciting and competitive industry to be in. The price of batteries has dropped by around 75% in the past decade. As new materials add to the lithium-ion options, we can expect costs will continue to fall.

Not far from here, the Waratah Super Battery is just months from energising for the grid. At 850 megawatts, it's been dubbed the largest battery in the world. But we know that's likely to be a title with a short lifespan, so quickly is the industry growing.

All this important work in the electricity system is setting us up to cut emissions *and* prepare for the inevitable end of coal-fired power generators.

The people in this room know better than most that Australia's coal generators are getting long in the tooth – particularly those in NSW – and they're going to start shutting down.

That's a reality to be faced. Anyone pretending otherwise is shirking the responsibility of working alongside communities to deliver what comes next.

The Hunter is a proud energy community. It will remain one as we overhaul the grid to deliver reliable, renewable and low-cost electricity from a mix of other sources.

As energy minister here in New South Wales I was proud to instigate the blueprint that underpins much of this work: the 20-year Electricity Infrastructure Roadmap.

And the Authority is now keeping a close eye on progress on this important endeavor right around the country.

We will continue to recommend to government ways in which Australia can turbocharge the rollout of renewables.

Our latest Annual Progress Report called out some particular opportunities:

. . . Like strengthening, broadening and lengthening the Capacity Investment Scheme to boost investment into renewable energy projects and continue current market momentum beyond 2030

. . . tapping more of the huge potential for industrial and commercial businesses to host generation and storage to meet their own energy needs or feed back into the grid

. . . and ensuring early positive signs of progress among facilities covered by the reformed Safeguard Mechanism translate into sustainable, lasting transformation – including through more uptake of on- and off-grid renewables.

The Authority will have more to say soon when we release a dedicated report on the electricity system.

It identifies some of the key bottlenecks in the transition, and provides advice on how they can be resolved in ways that deliver for the households and businesses.

Taking all the trends and developments I've talked about today into account, we have strong grounds for optimism.

We're on the field, the match is well underway, and the result we want is coming into view.

As the Newcastle Knights showed us in their season opener against the Tigers a couple of weeks ago: you can be trailing at half time and still bag a win with focus, discipline and a solid team push through to the final whistle.

We are in the second half of this decade. There are five years to go until 2030.

If we stick to the game plan, avoid getting distracted by the detractors in the cheap seats and work together, success is ours for the taking.

An economy that keeps thriving; reliable and clean energy; and a safer future for our kids are wins worth digging deep for.

Thank you.