

Here's a plan to unlock Australia's clean commodity export potential

Australia needs a policy mechanism to help realise its ambitions to become a global supplier of clean commodities like green iron and sustainable aviation fuel.

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The mandate provided by Labor's thumping election victory has set high but fair expectations for the second term of the Albanese government.

The demands it faces are clear: boost productivity; stimulate private investment; encourage research and development; seize new export opportunities; offset export risks; create new jobs; become a green superpower; tackle climate change; strengthen alliances; repair the budget; keep inflation in check; maximise taxpayer value for money.



Australia will need to build out its renewable generation capacity to support plans to expand in green manufacturing. **Dominic Lorrimer**

With so many urgent priorities, and limited fiscal headroom, the government must act with precision and purpose. That means prioritising the biggest opportunities and deploying the most efficient policies, especially those with high multiplier effects: policies that kill multiple birds with one stone.

So, what does that look like in action?

The answer is increasingly clear. Australia's largest economic opportunity lies in transforming from a conventional commodity exporter into a global supplier of clean commodities like green iron, sustainable aviation fuel, green aluminium, and clean ammonia.

This opportunity is well documented. Reports from The Superpower Institute, Climate Energy Finance, and others make the case for investment in value-added clean exports that align with global demand and climate trajectories.

The real question now is, what policy mechanism will help Australia seize this opportunity in the most efficient, high-impact way?

We propose a simple answer: a Clean Commodity Trading Initiative (CCTI). This initiative, developed in partnership with strategic allies such as Japan and Korea, would offer long-term offtake contracts for clean commodities – de-risking investment and catalysing industrial development.

“The Clean Commodity Trading Initiative is shovel-ready, fiscally responsible, and globally aligned.”

What is the CCTI? It's a carefully targeted policy tool that provides price and demand certainty to early-stage clean commodity projects. It works by offering offtake contracts to credible producers – contracts that government can structure with caps and floors, sharing risk and reward much like existing mechanisms under the NSW Electricity Infrastructure Roadmap.

By locking in a buyer for the green attributes of a commodity, the CCTI enables developers to raise private finance and reach a final investment decision far sooner. In effect, it brings forward the clean transition without waiting for regulatory mandates or markets to mature.

Critically, it also allows government to bank clean commodity credits that can later be sold into compliance markets, recovering costs and reducing long-term fiscal exposure.

Why is the CCTI so powerful?

Because it offers multiplier benefits across key national priorities.

- **Industrial renewal and job creation:** The CCTI would catalyse the build-out of globally competitive clean industries, from green metals to low-carbon fuels, supporting thousands of jobs across construction, operations, and advanced manufacturing. With performance incentives built into offtake pricing, producers will be driven to cut costs and innovate, making these industries long-term R&D powerhouses.
- **Crowding in private capital:** As any large-scale developer will attest, a government-backed offtake is the critical piece of the puzzle they need. It gives banks and equity investors the confidence to proceed.
- **Future-proofing our export economy:** Global markets are rapidly decarbonising. Carbon border adjustment mechanisms in the EU, and growing demand from Asian buyers for clean inputs, mean Australia must shift up the value chain or risk falling behind. The CCTI ensures our export profile evolves with the market, rather than getting left behind.
- **Revenue generation, not just expenditure:** Unlike blunt subsidies, the CCTI gives government a stake in future upside. By securing clean commodity credits early, the government can then sell those credits into maturing markets and recover its outlays. That's a rare feature – a policy that seeks to pay for itself.
- **Geostrategic and supply chain alignment:** Structured in close partnership with allies like Japan and Korea, the CCTI aligns our industrial strategy with their decarbonisation and industrial competitiveness needs. This deepens geopolitical ties, reduces supply chain risk, and positions Australia as a dependable supplier of clean industrial inputs in an unstable world.

The CCTI is the right tool for the job – right now. It's not a speculative bet; it is a precise intervention at exactly the right time. It can be implemented within existing frameworks, such as the National Reconstruction Fund/CEFC/Future Made in Australia or any other of the transition authorities. It complements rather than replaces existing supply-side support, and gives government a smarter, more flexible tool for market creation.

As the Commonwealth prepares to allocate scarce capital across a growing list of needs, it must focus on policies that deliver outsized returns – economic, strategic, and environmental.

The Clean Commodity Trading Initiative is one of those policies. It's shovel-ready, fiscally responsible, and globally aligned.

With Commonwealth priorities multiplying, we need efficient policies with massive multiplier effects. If Australia wants to lead the clean industrial era, we must act decisively and back our future exports with the full force of a well-designed offtake mechanism.

Oliver Yates was the inaugural CEO of the Clean Energy Finance Corporation. Elizabeth Thurbon is the director of the Green Energy Statecraft Project, World Economic Forum Equitable Transition Global Future Council.

<https://www.afr.com/policy/energy-and-climate/here-s-a-plan-to-unlock-australia-s-clean-commodity-export-potential-20250528-p5m316>