



Critical Minerals Strategic Reserve	
Party:	Australian Labor Party
<p>Summary of proposal:</p> <p>The proposal would make an initial investment of around \$1.2 billion in the <i>Critical Minerals Strategic Reserve</i><sup>1</sup>.</p> <p>A Taskforce would be established to consult and finalise the scope and design of the Critical Minerals Strategic Reserve, which is expected to be operational in the second half of 2026. The final design could lead to changes in the announced financial impacts.</p> <p>The Critical Minerals Strategic Reserve would invest in critical minerals through national offtake agreements and selective stockpiling.</p> <p>The proposal would start on 1 July 2025.</p>	
<p>Additional information (based on further advice provided):</p> <p>Funding of the proposal would be allocated as follows:</p> <ul style="list-style-type: none"><li>• Taskforce and establishment costs of \$35 million over 2-years, distributed as \$10 million in 2025-26 and \$25 million in 2026-27.</li><li>• Stockpiling and trading costs of \$150 million over 2 years, distributed as \$140 million in 2027-28 and \$10 million in 2028-29.</li><li>• Investment in the Critical Mineral Facility (CMF) of \$1 billion over 4 years, distributed evenly from 2026-27.</li></ul>	

## Costing overview

The proposal would be expected to decrease the fiscal balance by around \$251 million, the underlying cash balances by around \$242 million and the headline cash balance by around \$992 million over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects an increase in departmental expenses, administered expenses and investment in the CMF.

The proposal would not be expected to have an impact beyond the 2025-26 Budget forward estimates period, other than for public debt interest (PDI) impacts. A breakdown of the financial implications (including separate PDI tables) over the period to 2035-36 is provided at Attachment A.

Consistent with [Parliamentary Budget Office \(PBO\) Guidance 02/2015](#), PDI expense impacts have been included in this costing because the policy involves financial asset transactions.

Differences in fiscal and underlying cash balances occur due to differences in timing of accrual and cash recognition of PDI costs.

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<sup>1</sup> [Albanese Government to establish critical minerals strategic reserve](#)

The Parliamentary Budget Office (PBO) has not made any assessment as to whether the specified funding would be sufficient to meet the objectives of the proposal.

**Table 1: Critical Minerals Strategic Reserve – Financial implications (\$m)<sup>(a)(b)</sup>**

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-10.2	-31.5	-161.5	-47.4	<b>-250.6</b>
Underlying cash balance	-10.2	-30.0	-157.8	-43.6	<b>-241.6</b>
Headline cash balance	-10.2	-280.0	-407.8	-293.6	<b>-991.6</b>

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are included in the totals.

## Methodology and key assumptions

The Taskforce and establishment costs are capped at a fixed amount distributed over 2 years as specified. All costs are departmental in nature.

Stockpiling and trading costs are capped at a fixed amount distributed over 2 years as specified. Administered expenses are as specified in the proposal, less expected departmental expenses. Departmental expenses were estimated based on the cost of administering similar programs and are included within the capped funding amount.

The investment in the CMF is capped at a fixed amount distributed evenly over 4 years as specified. The increase in funds available under the CMF are assumed to be invested in the year allocated.

The PBO has assumed the \$1 billion investment in the CMF does not include concessional loans and any returns up to the 2035-36 financial year are in the form of capital gains.

We assume that no funds allocated to a given year are left unspent.

Financial implications were rounded consistent with the PBO's rounding rules.<sup>2</sup>

## Data sources

Australian Labor Party (2025) [Labor's costed plan to Build Australia's Future](#). Australian Labor Party website, accessed 20 May 2025.

Anthony Albanese PM (2025) [Albanese Government to establish critical minerals strategic reserve](#). Anthony Albanese PM website, accessed 20 May 2025.

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025*, Commonwealth of Australia.

Departmental expenses were informed by similar measures in the Commonwealth budgets from 2015-16 to 2021-22.

Export Finance Australia [We're growing Australia's critical minerals sector](#). Export Finance Australia website, accessed 20 May 2025.

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<sup>2</sup> <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

## Attachment A – Critical Minerals Strategic Reserve – Financial implications

**Table A1: Critical Minerals Strategic Reserve – Fiscal balances (\$m)<sup>(a)</sup>**

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
<b>Expenses</b>													
<b>Administered</b>													
<i>Critical Mineral Strategic Reserve - Stockpiling and trading</i>	-	-	-133.0	-10.0	-	-	-	-	-	-	-	-143.0	-143.0
<b>Total – administered</b>	-	-	-133.0	-10.0	-	-	-	-	-	-	-	-143.0	-143.0
<b>Departmental</b>													
<i>Critical Mineral Strategic Reserve - Taskforce and establishment</i>	-10.0	-25.0	-	-	-	-	-	-	-	-	-	-35.0	-35.0
<i>Critical Mineral Strategic Reserve - Stockpiling and trading</i>	-	-	-7.0	-0.5	-	-	-	-	-	-	-	-7.5	-7.5
<b>Total – departmental</b>	-10.0	-25.0	-7.0	-0.5	-	-	-	-	-	-	-	-42.5	-42.5
<b>Total (excluding PDI)</b>	-10.0	-25.0	-140.0	-10.5	-	-	-	-	-	-	-	-185.5	-185.5
<b>PDI impacts</b>	-0.2	-6.5	-21.5	-36.9	-49.8	-57.6	-60.2	-62.9	-65.8	-68.8	-71.9	-65.1	-502.1
<b>Total (including PDI)</b>	-10.2	-31.5	-161.5	-47.4	-49.8	-57.6	-60.2	-62.9	-65.8	-68.8	-71.9	-250.6	-687.6

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

- Indicates nil.

**Table A2: Critical Minerals Strategic Reserve – Underlying cash balances (\$m)<sup>(a)</sup>**

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
<b>Payments</b>													
<b>Administered</b>													
<i>Critical Mineral Strategic Reserve - Stockpiling and trading</i>	-	-	-133.0	-10.0	-	-	-	-	-	-	-	-143.0	-143.0
<b>Total – administered</b>	-	-	-133.0	-10.0	-	-	-	-	-	-	-	-143.0	-143.0
<b>Departmental</b>													
<i>Critical Mineral Strategic Reserve - Taskforce and establishment</i>	-10.0	-25.0	-	-	-	-	-	-	-	-	-	-35.0	-35.0
<i>Critical Mineral Strategic Reserve - Stockpiling and trading</i>	-	-	-7.0	-0.5	-	-	-	-	-	-	-	-7.5	-7.5
<b>Total – departmental</b>	-10.0	-25.0	-7.0	-0.5	-	-	-	-	-	-	-	-42.5	-42.5
<b>Total (excluding PDI)</b>	-10.0	-25.0	-140.0	-10.5	-	-	-	-	-	-	-	-185.5	-185.5
<b>PDI impacts</b>	-0.2	-5.0	-17.8	-33.1	-46.6	-55.7	-59.6	-62.3	-65.1	-68.0	-71.2	-56.1	-484.6
<b>Total (including PDI)</b>	-10.2	-30.0	-157.8	-43.6	-46.6	-55.7	-59.6	-62.3	-65.1	-68.0	-71.2	-241.6	-670.1

(a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

- Indicates nil.

**Table A3: Critical Minerals Strategic Reserve – Headline cash balances (\$m)<sup>(a)</sup>**

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
<b>Payments</b>													
<b>Administered</b>													
<i>Critical Mineral Strategic Reserve - Stockpiling and trading</i>	-	-	-133.0	-10.0	-	-	-	-	-	-	-	-143.0	-143.0
<i>\$1b investment in Critical Mineral Facility</i>	-	-250.0	-250.0	-250.0	-250.0	-	-	-	-	-	-	-750.0	-1,000.0
<b>Total – administered</b>	-	-250.0	-383.0	-260.0	-250.0	-	-	-	-	-	-	-893.0	-1,143.0
<b>Departmental</b>													
<i>Critical Mineral Strategic Reserve - Taskforce and establishment</i>	-10.0	-25.0	-	-	-	-	-	-	-	-	-	-35.0	-35.0
<i>Critical Mineral Strategic Reserve - Stockpiling and trading</i>	-	-	-7.0	-0.5	-	-	-	-	-	-	-	-7.5	-7.5
<b>Total – departmental</b>	-10.0	-25.0	-7.0	-0.5	-	-	-	-	-	-	-	-42.5	-42.5
<b>Total (excluding PDI)</b>	-10.0	-275.0	-390.0	-260.5	-250.0	-	-	-	-	-	-	-935.5	-1,185.5
<b>PDI impacts</b>	-0.2	-5.0	-17.8	-33.1	-46.6	-55.7	-59.6	-62.3	-65.1	-68.0	-71.2	-56.1	-484.6
<b>Total (including PDI)</b>	-10.2	-280.0	-407.8	-293.6	-296.6	-55.7	-59.6	-62.3	-65.1	-68.0	-71.2	-991.6	-1,670.1

(a) A positive number for the headline cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the headline cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

- Indicates nil.