



Critical Minerals Strategic Reserve: Information and questions for industry stakeholders

Background information

The Australian Government will establish a Critical Minerals Strategic Reserve to maximise the strategic value of Australia's critical minerals. The Reserve will enable Australia to address supply risks, bolster economic security and resilience, and respond to the needs of key international partners.

The Government has committed an initial \$1.2 billion to establish the Reserve and aims to operationalise it from the second half of 2026.

The Critical Minerals Strategic Reserve Taskforce, in the Department of the Prime Minister and Cabinet, will advise the Government on how best to design and operationalise the Reserve.

Questions

To inform our advice, the Taskforce welcomes views from a range of stakeholders on the Reserve. We have prepared the questions below to prompt your views on key design considerations. We welcome your views on some or all of these questions, and any further issues you see as relevant.

Big picture

By anticipating and responding to the critical minerals requirements of key international partners, and by addressing supply chain barriers, the Reserve can be of strategic benefit to Australia.

1. How can the Reserve address key supply chain risks?
2. What role can the Reserve play to support Australian critical minerals projects to be competitive for international investment and offtake?
3. What other key factors can maximise the strategic value of the Reserve?

In designing the Reserve, First Nations consultation will be a key area of focus.

Other key areas of consideration will include environmental impacts and international trade law.

4. From your perspective, what are the key factors the Reserve should take account of in these areas? Are there any other key areas of consideration we should be aware of?

Mineral selection

The Reserve will secure access to a small set of critical minerals with high strategic value and supply chain risk. Depending on the final design of the Reserve, more minerals may be added at a future date.

5. Taking into account demand and supply factors, including supply chain risk, which minerals do you see as most suitable for the Reserve in the next two, five, and ten years, and why?
6. What form(s) of mineral should the Reserve support (how far down the value chain) in the next two, five, and ten years, and why?

Policy tools

The Taskforce is looking at a range of potential policy tools, including offtake and selective stockpiling. The effectiveness and appropriateness of policy tools will in part depend on the specific minerals the Reserve supports.

7. What are the key barriers for Australian critical minerals projects, and how do you see this changing as demand shifts?
8. For each of the following tools, what are the advantages and what are the risks to be mitigated?
 - Traditional offtake
 - Forward offtake contracts trading
 - Production volume guarantees
 - Corporate and project financing including loans, equity investments, guarantees
 - Revolving credit / revenue facilities
 - Contracts for difference – price floors and ceilings
9. Are there circumstances that would merit utilisation of particular policy tools?
10. Are there other policy tools that warrant consideration?
11. What tools would be most useful to link up with international counterparts (e.g., two governments invest equity, one government invests equity and the other contracts offtake, etc.)?
12. If the Reserve were to use policy tools to support Australian supply, but given market dynamics the global price was brought lower, what would incentivise overseas companies to buy from a reliable supplier like Australia?
13. Are there design features that would enable the Reserve to crowd in private investment and financing, and lower risk to Government?

Australia's critical minerals processing and refining capabilities are relatively underdeveloped. We do not currently have the depth and breadth of mid and downstream expertise and technologies as some other countries.

14. What policy tools or other design features would enable the Reserve to take into account Australia's current downstream capabilities, and those of other countries?