

FEDERAL BUDGET ANALYSIS – ARGONAUT



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THE MINING WINNERS AND LOSERS IN THE 2026 FEDERAL BUDGET

The release of the 2026-27 Federal Budget has introduced significant changes with the mining sector set to benefit from fuel and critical minerals reserves and streamlined project approvals. The backdrop of tensions in the Middle East is causing concerns on inflation pressure in the near-term.

WINNERS

The effort by the Australian Government to provide quicker timelines for environmental approvals is a big win for the mining sector in the current budget.

The budget commits \$70 million to fast-track approvals with states and territories including the establishment of bilateral agreements. Alongside this, \$105.9 million has been committed to faster approval times under the EPBC Act using AI.



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Mining developers are positioned to benefit from a quicker approvals process which no longer will require dual approvals at a state and federal level.

The Government has announced a \$14.8 billion Fuel Resilience Package which is set to strengthen Australia's fuel supply.

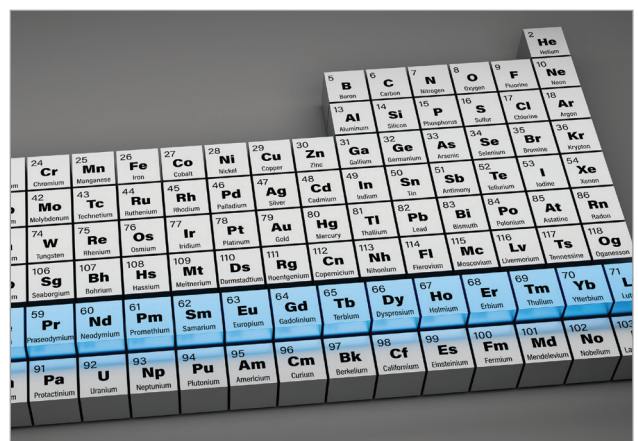
\$3.2 billion of this funding is set to establish a government-owned Fuel Security Reserve, with the big winners to be infrastructure contractors with capabilities in fuel storage.

Through the lift in fuel reserves and securing of additional energy, the mining sector is shielded against major global oil shocks with the Government ensuring fuel availability is not a future issue.

The risk profile for junior exploration companies has been lowered due to the established Critical Minerals Strategic Reserve.

The Reserve is set to become operational and draw on \$1 billion from the Critical Minerals Facility for investment in 2026-27.

Initially the reserve will focus on antimony, gallium and rare earth elements with exploration companies that have a focus on these elements set to be the big winners.





LOSERS

The ongoing war in the Middle East is a central focus of the Federal Budget with concerns around increased inflation and slower economic growth highlighted. The conflict is putting pressure on costs and straining supply chains which will impact the majority of sectors and businesses.

In the near term, the Government has forecast headline inflation to reach 5 per cent, resulting in a slowing of the economy from 2.25 per cent in 2025-26 to 1.75 per cent in 2026-27.

Inflation pressures and increasing fuel costs will continue to put ongoing pressure on prices and supply chains. Initial cost impacts from fuel supply will lead to a negative impact on transport costs, pushing up prices of other equipment and parts.

It is expected that we will start to see an increase in costs for all companies in the mining sector as global tensions remain unsolved.



INVESTMENT OPPORTUNITY

Australia has a solid resource base with the federal government continuing to rely on mining sector revenues for spend and opted out of imposing additional mining taxes.

It appears that the market is highlighting concerns around uncertainties in pricing and fuel supply, however, has not taken into account the impact of the resources sector on Australia's economy and the Government's reliance on the sector.

The longer-term outlook for resources companies outweighs the near-term cost impacts, as the Government will ensure the resources sector remains secure and major mining companies are willing to pay for higher cost fuel.

Overall, the mining industry has welcomed the proposed 2026-27 Federal Budget and as we wait to see the full impact of the Middle East conflict, mining remains the backbone of Australia's economy.