

Carbon Capture Technologies Program – Round 2

Canonical: <https://northmoregordon.com/grants-and-programs/carbon-capture-technologies-program-round-2/>

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Funding program archive

This page preserves a dated funding-program record and links it to current project-planning guidance.

Publication date: 23 March 2026.

Status note: This archive does not confirm that applications are open, funds remain available or the earlier eligibility and co-funding settings still apply. Verify the current administrator page and guidelines.

What this article reported

The Carbon Capture Technologies Program - Round 2 is a significant Australian Government initiative designed to accelerate the development of cutting-edge carbon capture, utilisation, and removal technologies. With grants of up to \$10 million available, the program supports businesses and organisations working on innovative solutions to reduce emissions and contribute to Australia's transition to net zero by 2050.

Grant Overview

Funding available: \$1 million to \$10 million per project

Co-contribution required: Up to 50% of eligible project costs

Total program funding: ~\$32.6 million

Project end date: 31 March 2031

Applications close: 6 May 2026 (5:00pm AEST)

This program focuses on supporting pilot and demonstration projects that can scale emerging carbon technologies and help build new low-emissions industries in Australia.

Who is this for?

This grant is ideal for organisations across Australia working in sectors such as:

Clean technology and climate innovation

Advanced manufacturing

Energy and resources

Heavy industry (e.g. cement, steel, chemicals)

It is particularly suited to businesses developing solutions for hard-to-abate industries or working on next-generation carbon management technologies.

Eligibility:

You can apply if you:

Have an Australian Business Number (ABN)

Are registered for Goods and Services Tax (GST)

Are one of the following: An incorporated entity in Australia An incorporated trustee on behalf of a trust
An Australian state or territory government agency or body A corporate Commonwealth entity

Projects must also:

Be based in Australia

Focus on reducing, capturing, utilising, or removing CO2 emissions

Involve research, development, or demonstration of new or emerging technologies

Have at least \$2 million in eligible project expenditure

Not duplicate previously funded projects under Round 1

What can the grant be used for?

Funding supports a range of project activities aligned with carbon innovation, including:

Development and deployment of carbon capture, utilisation, and storage (CCUS) technologies

Pilot and demonstration facilities

Engineering design and feasibility studies

Testing and validation of new systems or processes

Examples of supported technologies include:

Direct air capture

Carbon capture for industrial applications

Mineral carbonation and carbon-based building materials

Biomass carbon removal and storage

This aligns strongly with services such as technology commercialisation, R&D; project support, engineering design, and scaling pilot programs-areas where Northmore Gordon can assist in preparing and strengthening your application.

What can't be funded?

The program excludes:

Nature-based solutions without a technological component (e.g. tree planting alone)

Fossil fuel production or extraction projects

Projects already receiving Commonwealth funding for the same activities

How the funding works

Grants cover up to 50% of eligible project costs Applicants must provide the remaining funding contribution (cash-based) Funding is provided in stages based on project milestones and progress

How to apply

Applications are submitted through a competitive process and assessed on:

Alignment with program objectives

Technical capability and delivery capacity

Impact and value of the funding on the project

A strong application requires detailed project planning, financial modelling, and clear demonstration of innovation and scalability.

How Northmore Gordon can help

Applying for the Carbon Capture Technologies Program - Round 2 can be complex, particularly given the technical and commercial requirements. Northmore Gordon can support you with:

Assessing eligibility and project fit

Developing a compelling grant strategy

Preparing technical and commercial documentation

Building financial models and co-contribution strategies

Managing the full application process

Check current round status

If you're developing innovative carbon capture or emissions reduction technologies, this is a major funding opportunity to accelerate your project.

Contact Northmore Gordon to check whether a current round applies to your project and what evidence it requires.

How to use this information now

Before relying on a grant, confirm the current round, applicant and project eligibility, eligible expenditure, co-contribution, assessment process, closing date and evidence obligations. Build the technical case so the project remains understandable with grant support shown separately.

Separate source-reported facts from forecasts, targets and commentary. For a current project, retain the official source, version, effective date, assumptions and decision record in the evidence file.

Related guidance

Carbon advisory

Current articles and guidance

Contact Northmore Gordon

What types of carbon capture technologies does Round 2 fund, and how do they differ from nature-based approaches?

Round 2 supports technological carbon capture solutions including direct air capture, industrial CO₂ capture, mineral carbonation, and carbon-based building materials, alongside biomass carbon removal and storage. The program explicitly excludes nature-based solutions like tree planting unless they incorporate a technological component. This distinction matters because it focuses investment on scalable, measurable technologies rather than land-management approaches. Projects must demonstrate research, development, or deployment of new or emerging technologies. We can assess whether a proposed technology aligns with the program's scope and help frame our technical innovation to meet assessment criteria.

What are the minimum eligible project expenditure and co-contribution requirements, and how should applicants approach co-funding?

Projects require at least \$2 million in eligible expenditure, with grants covering up to 50% of costs. Applicants must provide the remaining contribution in cash. This 50:50 matching structure means a \$4 million project would seek \$2 million in grant funding while contributing \$2 million from other sources. Co-contribution timing and source affect project viability; securing committed funding before application submission strengthens competitiveness. We can develop financial models showing eligible versus ineligible costs, model co-contribution scenarios, and identify potential co-funding sources or partnership arrangements to demonstrate financial capacity.

How does the staged payment structure work, and what project milestones should applicants plan for?

Funding is provided in stages based on project milestones and progress rather than as a single upfront payment. This structure requires applicants to clearly define measurable project phases and establish credible evidence of completion before subsequent funding tranches are released. Planning milestone definition, timing, and deliverables is essential to cash-flow management and project delivery confidence. Staged payments reduce funder risk but require robust project management and documentation. We can help applicants define realistic milestones aligned with project phases, establish measurement and verification approaches for each stage, and develop evidence protocols to support milestone claims.

What does 'not duplicate previously funded projects under Round 1' mean, and how should applicants verify compliance?

This requirement prevents applying for grant funding for the same technology, site, or scope that Round 1 already supported. It protects Commonwealth investment from duplication but allows related or follow-on projects if they are genuinely distinct in scope, location, or technical focus. Applicants must document their understanding of Round 1 projects and clearly articulate what makes their proposal different. This requires either confirmation that the project was not previously funded, or demonstration that it addresses new technical elements, different locations, or scaled deployment beyond the original scope. We can research Round 1 outcomes, identify any relevant prior-funded projects, and help applicants clearly position their proposal as complementary or distinct from any existing work.

Which entities are ineligible, and what registered status do applicants need?

Eligible applicants include incorporated Australian entities, incorporated trustees of trusts, state/territory government agencies, and corporate Commonwealth entities. Applicants must hold an Australian Business Number (ABN) and be registered for GST. Ineligible applicants include sole traders, unincorporated associations, and entities without ABN registration. This framing ensures applicants can enter enforceable contracts with the Commonwealth and comply with taxation obligations. An entity's legal structure and GST registration status must be confirmed before application submission; changes to structure after application may affect eligibility. We can verify an applicant's entity structure, confirm ABN and GST registration status, and advise on any entity restructuring needed to meet eligibility requirements.

How should applicants assess and present their technical capability and delivery capacity to assessors?

Assessment criteria explicitly include technical capability and delivery capacity alongside alignment with program objectives. Applicants should document team expertise, relevant prior experience, equipment or facilities, and project management systems. This includes personnel qualifications, organisational track record with similar-scale projects, and evidence of resource availability for the project duration to 31 March 2031. Capability statements should be specific and credible rather than generic; assessors will compare claims against available evidence. We can help applicants develop compelling capability

narratives backed by case examples, identify expertise gaps and mitigation strategies, and prepare technical documentation demonstrating delivery readiness.

Why is alignment with program objectives important, and how does it differ from project merit?

Program objectives centre on accelerating carbon capture, utilisation, and removal technologies to support Australia's net-zero transition. A technically sound carbon-reduction project may not align with these specific objectives if it does not focus on these technology categories. For example, a highly efficient industrial process redesign might reduce emissions but would not meet the technological-focus requirement. Alignment assessment ensures public funding supports the intended policy outcome. Applicants must frame their project's contribution to Australia's carbon capture technology development explicitly. We can review proposed projects against program objectives, help reframe project narratives to emphasise alignment, and identify misalignments early to avoid application rejection.

What does 'impact and value of the funding' mean as an assessment criterion, and how should applicants demonstrate it?

This criterion evaluates whether the grant funding catalyses progress that would not occur without it, and what economic, environmental, or technological benefit results. Impact includes avoided emissions, technology advancement, cost reduction in carbon capture, market development, or capability building. Value considers the relationship between grant size and project outcomes—demonstrating that \$2 million enables a \$4 million project that would not proceed otherwise shows stronger value than funding an already-committed initiative. Applicants should quantify intended impacts in emissions reduction, technology readiness level advancement, or economic multipliers. We can help model and articulate project impact, develop metrics for measuring value delivery, and present the case for why funding enables outcomes beyond what applicants could achieve alone.