

Carbon Innovation Grants Program – Round 3

Canonical: <https://northmoregordon.com/grants-and-programs/carbon-innovation-grants-program-round-3/>

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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: 10 September 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 Innovation Grants Program - Round 3 is now open to support Western Australian heavy industry businesses and project partners investing in innovative technologies and methods that reduce carbon emissions.

With approximately \$3.1 million available in Round 3, the program provides funding for feasibility studies, pilot projects and capital works that can help WA heavy industry progress towards net zero emissions. Projects may focus on avoiding or reducing emissions, carbon abatement and sequestration, and progressing innovative technologies towards commercial deployment.

Eligible projects may include carbon capture, use or storage, industrial process feedstock switching, and projects assessing or deploying Australian Carbon Credit Unit (ACCU) methods. Projects do not need to generate carbon credits to be eligible.

Applications close 11 December 2026 at 5:00pm AWST.

Who is this for?

State: Western Australia

Industry sector: Heavy industry, including businesses involved in industrial processing, mining and manufacturing. Examples identified in the guidelines include mineral extraction and refining, metals, machinery manufacturing, fuel production, chemicals and fertilisers, as well as stationary and mobile plant servicing heavy industry.

The Carbon Innovation Grants Program is designed for eligible organisations undertaking projects at specific sites or locations in Western Australia that can contribute to reducing emissions from heavy industry processes.

How much funding is available?

Approximately \$3.1 million is available through Round 3 across two funding streams:

Feasibility Studies: Grants from \$50,000 to \$500,000, covering up to 50% of eligible project costs.

Pilot Projects and Capital Works: Grants from \$100,000 to \$1.5 million, covering up to 25% of eligible project costs.

Feasibility study projects must generally be completed within 24 months of meeting the relevant conditions precedent, while pilot projects and capital works must be completed within 36 months.

Eligibility: You can apply if you:

Hold a current Australian Business Number (ABN) and are registered for GST.

Are an Australian corporation, local government authority, not-for-profit organisation, incorporated association, university, Aboriginal and/or Torres Strait Islander corporation, company limited by guarantee, or a partnership or consortium comprising eligible entities.

Have management team members who meet the program's fit and proper person requirements.

Have a project located in Western Australia, or, for a feasibility study, a project applying to specific sites or locations within Western Australia.

Are seeking funding within the relevant funding limits and can provide the required contribution towards eligible project costs.

Are undertaking a project that is additional to business-as-usual activities.

Have a heavy industry business as the lead applicant or a project partner, providing a cash or eligible in-kind contribution.

Are undertaking project activities that are currently permitted by law.

Can complete the project within the applicable delivery timeframe.

If the project involves assessing or generating carbon credit units, can meet the additional applicant and project eligibility requirements relevant to the applicable carbon crediting method.

What can the funding be used for?

Funding can support eligible expenditure directly associated with delivering a carbon emissions reduction project.

Depending on the project and funding stream, this may include:

feasibility studies for technologies and methods progressing from concept towards real-world trials

pilot testing and demonstration of innovative technologies

capital equipment used for carbon abatement or sequestration

energy storage and other essential enabling equipment

system controls, pumps, tanks, pipework, monitoring and communications equipment

design and professional services directly related to project delivery

laboratory testing and field sampling

installation and commissioning

project management and grant administration costs.

Northmore Gordon may be able to assist businesses considering energy-related components of eligible projects, particularly where projects involve energy efficiency, energy storage, electrification or other technologies that reduce energy-related emissions from heavy industry processes.

What types of projects could be supported?

Examples provided for the program include feasibility work such as concept design, field or laboratory testing and economic analysis of industrial process technologies that reduce emissions, carbon capture/use/storage and industrial process feedstock switching.

Pilot Projects and Capital Works may include trials of new technologies or novel modifications to industrial processes, field trials of industrial process feedstock switching, and field testing of carbon capture, use or storage methods.

Projects must demonstrate alignment with the Carbon Innovation Grants Program objectives and progress relevant technologies or methods towards commercial viability.

What projects are not eligible?

Projects that are already underway, business-as-usual activities and projects seeking retrospective funding are not eligible.

Other exclusions include projects outside Western Australia, broad or generic research that is not specific to heavy industry facilities, and renewable energy generation that does not directly supply heavy industry processes on the same site.

Projects without an industrial business partner providing a cash or eligible in-kind contribution are also ineligible.

How will applications be assessed?

Eligible applications will be assessed for overall value for money and against five weighted merit criteria:

Reducing emissions - 30%

Business case - 20%

Ability to deliver - 15%

Innovation and potential for wider adoption - 20%

Public good - 15%

Applicants will need to provide evidence supporting the expected emissions reduction, financial and technical viability of the project, capacity to deliver, level of innovation and potential wider benefits to Western Australia.

When do applications close?

Applications for the Carbon Innovation Grants Program - Round 3 opened on 10 September 2026 and close at 5:00pm AWST on Friday 11 December 2026. Successful projects are expected to be announced in 2027.

How Northmore Gordon can help

If you're considering a carbon reduction, energy efficiency, electrification or energy storage project for a heavy industry operation in Western Australia, Northmore Gordon can help you assess your project against the Carbon Innovation Grants Program requirements and determine where our services may support an eligible project.

For projects with the potential to generate Australian Carbon Credit Units (ACCUs), Northmore Gordon can also help assess the potential ACCUs that could be generated from the project and support the process of creating and registering eligible carbon credits. With expertise in the ACCU framework, our team can help identify opportunities to incorporate carbon credits into your project and understand their potential value.

Contact Northmore Gordon to discuss your project, its ACCU potential and how we can support your Carbon Innovation Grants Program - Round 3 application.

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.

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What types of carbon reduction projects does the Carbon Innovation Grants Program – Round 3 support?

Round 3 supports feasibility studies, pilot projects, and capital works focused on innovative technologies and methods that reduce emissions in heavy industry. Eligible activities include concept design and testing of industrial process technologies, carbon capture/use/storage methods, and feedstock switching. Projects must progress beyond business-as-usual operations and demonstrate innovation potential. We can help assess whether proposed electrification, renewable heat, energy storage, or carbon abatement technologies align with program requirements and identify eligible activities within applicable ACCU methods where carbon credits may be created.

What funding amounts are available, and what project costs do applicants need to contribute?

Feasibility Studies offer \$50,000 to \$500,000 grants covering up to 50% of eligible costs, while Pilot Projects and Capital Works offer \$100,000 to \$1.5 million covering up to 25% of costs. Applicants must provide the remaining contribution as cash or eligible in-kind support. This cost-sharing structure means a \$200,000 feasibility study requires approximately \$200,000 applicant contribution, while a \$1 million capital works project requires approximately \$3 million total investment. We can help establish realistic project budgets, identify eligible expenditure categories, and structure investment cases demonstrating financial viability.

What are the eligibility requirements for applicants to participate in Round 3?

Applicants must hold a current ABN and be registered for GST; be an eligible entity type (Australian corporation, local government, not-for-profit, university, or consortium); have fit and proper person management; locate projects in Western Australia; ensure projects are additional to business-as-usual; include a heavy industry business as lead applicant or partner; and complete projects within 24 months (feasibility) or 36 months (pilot/capital). For ACCU-generating projects, applicants must meet additional scheme-specific requirements. We can verify organizational eligibility, assess project timing against scheme requirements, and identify any gaps in fit and proper person documentation or governance.

How is the merit assessment structured, and what evidence do applications need to demonstrate?

Applications are assessed against five weighted criteria: Reducing emissions (30%), Business case (20%), Ability to deliver (15%), Innovation and potential for wider adoption (20%), and Public good (15%). Applicants must provide quantified emissions reduction evidence, financial and technical viability analysis, demonstrated capacity to deliver, evidence of innovation level, and articulated benefits to Western Australia. We can help quantify expected emissions reductions using measurement frameworks, develop robust business cases with credible cost and savings assumptions, and structure evidence files showing project feasibility and innovation potential.

What are the key ineligibility reasons that would prevent a project from being considered?

Ineligible projects include those already underway, business-as-usual activities, retrospective funding requests, projects located outside Western Australia, generic research without site-specific focus on heavy industry facilities, renewable energy projects not directly supplying on-site heavy industry processes, and projects lacking an industrial business partner contribution. Projects seeking funding for activities already commenced risk being rejected even if technically sound. We can help verify project timing against CER's newness guidance, assess whether activities constitute business-as-usual, and structure partnerships ensuring eligible industrial involvement.

Can carbon credit units (ACCUs) generated by Round 3 projects improve the business case?

Yes, where projects meet Australian Carbon Credit Unit scheme requirements, eligible abatement can generate ACCUs worth approximately \$60–\$80 per tonne (market pricing as of September 2026), potentially improving project economics. However, ACCU revenue depends on method eligibility, project registration, monitoring and verification, and actual issuance—not all emissions reductions qualify. We can assess whether proposed technologies align with available ACCU methods, identify eligible activities, estimate credit quantity and timing, and support project registration and measurement planning to preserve ACCU pathways alongside grant funding.

What is the application timeline, and when should preparation begin?

Round 3 opened 10 September 2026 and closes 5:00pm AWST on 11 December 2026, providing approximately 13 weeks for application preparation. Successful projects are expected to be announced in 2027. Applicants should begin immediately by confirming project eligibility, gathering baseline energy and emissions data, commissioning feasibility studies if needed, and preparing business cases and evidence files. We can accelerate preparation by conducting rapid energy audits, establishing baseline conditions, developing investment cases, and preparing project briefs within the application window.

What role can Northmore Gordon play in supporting a Round 3 application?

We can assess carbon reduction, energy efficiency, electrification, or energy storage projects against program eligibility and merit criteria; help quantify emissions reductions and establish robust business cases; verify project timing and scope against CER's ACCU requirements where applicable; support measurement and verification planning; and facilitate ACCU registration and credit creation where eligible. For heavy industry operations in Western Australia, our services span the full application lifecycle: initial eligibility screening, technical and commercial feasibility assessment, evidence preparation, and post-award project delivery and performance monitoring.