

Carbon Innovation Grants Program (Round 2)

Canonical: <https://northmoregordon.com/grants-and-programs/manufacturing-hubs-grant-program-round-4-2-2/>

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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: 21 November 2024.

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 Government of Western Australia is taking significant steps toward a sustainable future by opening Round 2 of the Carbon Innovation Grants Program (CIGP). This initiative, part of the Climate Action Fund, empowers heavy industry sectors to transition toward net zero emissions by 2050, aligning with state climate targets.

The Carbon Innovation Grants Program focuses on fostering innovation in heavy industry by funding the development and deployment of technologies designed to reduce greenhouse gas emissions. The program targets two critical stages of innovation:

Stage 1 - Feasibility Studies: Designed for projects in the early stages of development, this funding stream helps progress ideas from concept to practical, real-world trials.

Stage 2 - Pilot Projects and Capital Works: This stream supports the testing and scaling of innovative technologies and methods, from pilot implementation to full-scale deployment in operational settings.

The CIGP offers a unique opportunity for industries to access financial support to explore new technologies, enhance their sustainability practices, and contribute to the broader goal of a net zero future.

Who is this for:

Heavy Industry Sectors who aim to transition to net zero by 2050. Industries include but are not limited to:

Aerospace

Shipbuilding

Mining

Machine tool building

Locomotive manufacturing

Oil and gas

Steel production

Chemical production

Construction of large buildings and infrastructure

Who can apply:

An Australian corporation, local government authority, not-for-profit organisation, incorporated association, university, Aboriginal and/or Torres Strait Islander corporation, company limited by guarantee and a partnership or consortium of any of the eligible entities as listed above.

Further eligibility requirements are provided in the applicant guidelines.

Grant range:

Feasibility studies have a minimum funding limit of \$50,000 and a maximum funding limit of \$500,000, which must be no more than 50 per cent of eligible project costs.

Pilot projects and capital works have a minimum funding limit of \$100,000 and a maximum funding limit of \$1.5 million, which must be no more than 25 per cent of eligible project costs.

By participating, organisations can:

Accelerate technology development.

Demonstrate leadership in climate action.

Collaborate with government and industry peers to drive transformative change.

Eligibility:

Eligible applications will be assessed for overall value for money, high emissions reduction and the quality of information provided against merit criteria. Value for money is a key underlying principle in the expenditure of public funds. This means gaining the best possible outcome, for every dollar spent, by assessing the overall costs and benefits to Western Australia.

Further eligibility requirements are provided in the applicant guidelines.

At the time of publication, grant applications were managed through the SmartyGrants Portal . To ensure a seamless process, applicants are encouraged to review the Applicant Guidelines and supporting documents thoroughly.

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

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What is the Manufacturing Hubs Grant Program Round 4.2.2 and who should consider applying?

The Manufacturing Hubs Grant Program Round 4.2.2 is a government funding initiative designed to support manufacturing businesses seeking to improve energy efficiency, reduce emissions, or adopt sustainable practices. The program is relevant for manufacturers across various sectors who have identified energy or carbon reduction opportunities but need financial support to move from assessment to implementation. We can help manufacturers evaluate whether their proposed projects meet eligibility criteria, prepare investment cases that demonstrate value for money, and structure applications that clearly link technical improvements to measurable outcomes and cost-benefit analysis.

How should a manufacturing business determine if a proposed project is eligible for grant funding?

Eligibility assessment requires establishing several criteria before relying on a grant: applicant eligibility (business type and registration), project eligibility (the activity and equipment proposed), the specific funding round and its deadline, eligible expenditure (which costs the program will cover), and approval conditions. Our approach includes conducting energy audits to identify opportunities, preparing investment cases that clarify which costs are eligible, and conducting funding-pathway assessments to confirm scheme applicability. This prevents manufacturing businesses from making commitments based on unverified assumptions about grant availability or eligibility.

What role does an energy audit play in preparing a manufacturing hub grant application?

An energy audit investigates how a manufacturing facility uses energy and identifies improvement opportunities with estimated savings. For grant applications, an audit provides the technical foundation: it establishes the baseline consumption, quantifies potential energy reductions, identifies specific equipment changes, and supports the business case with credible evidence. Australian Government guidance emphasises the relationship between consumption and business activity. We offer Type 1 overview, Type 2 detailed assessments with financial evaluation, and Type 3 subsystem precision audits—the choice depends on the decision being made and the investment at stake.

Why is it important to prepare an investment case before submitting a grant application?

An investment case allows management to understand the decision, compare alternatives, and identify what could change the outcome. Grant assessors evaluate applications partly on value for money—achieving the best outcome for every dollar of public funds spent. A robust investment case should state the business problem and operational requirements, use consistent financial assumptions across alternatives, keep energy savings and maintenance benefits separate, and disclose unresolved assumptions. We support investment case development by connecting energy audit findings, certificate eligibility, and financial projections to create a clear decision framework that satisfies both internal approval and grant assessment criteria.

How should manufacturers handle different types of project support—grants, certificates, and finance—in their planning?

Grants, certificates, and finance are distinct support mechanisms with different assessment requirements and should appear separately in project documentation. A grant requires establishing applicant and project eligibility, round, deadline, and eligible expenditure. Energy-efficiency certificates require eligibility assessment under specific schemes (such as NSW ESS or Victorian Energy Upgrades) and evidence of eligible activities. Finance requires assessment of borrower terms, repayments, and security. Manufacturers should use a funding status register to track each opportunity's exact programme, source, application status, and next action. Our funding-pathway assessment service identifies which mechanisms are suitable for a proposed project and checks compatibility before combining multiple support streams.

What measurement and verification approach should be included in a manufacturing grant proposal?

Measurement and verification (M&V;) demonstrates what energy change resulted from a project using an agreed boundary, data, and analysis method. For grant applications, M&V; planning should establish the baseline (pre-project consumption under comparable conditions), identify measurement points and data quality requirements, and define how savings will be calculated and verified. The approach depends on the project type: energy-efficiency projects use comparison of modelled pre-project consumption with post-commissioning consumption or measured data. We provide M&V; services including project-boundary selection, baseline modelling, and savings reporting. Including a credible M&V; plan strengthens grant applications by showing how claimed benefits will be verified.

How can manufacturers identify and prioritise energy opportunities across multiple sites or systems?

Manufacturing facilities often have multiple energy-use areas—heating, compressed air, refrigeration, motors, lighting—each with different improvement potential. Our six-stage delivery approach starts with assessment: energy audits create an opportunity register identifying which measures deserve investigation, their boundary, estimated savings, assumptions, and implementation dependencies. The register also notes interactions between measures (for example, reduced heating load after insulation can change replacement boiler economics). For manufacturers with multiple sites, energy management and monitoring scope establishes consistent tracking and performance indicators. This systematic prioritisation helps focus grant applications on projects with highest return and clearest technical merit.

What should manufacturers know about eligible expenditure and cost-sharing requirements?

Grant programs specify which project costs are eligible and what percentage of total project cost the grant can cover. This varies by program: some grants fund 25–50 per cent of eligible costs, requiring the applicant to fund the remainder from other sources or internal capital. Before committing to a project, manufacturers must confirm the specific program's cost-sharing rules and identify how they will fund the balance. Our investment case development addresses this by distinguishing replacement expenditure (costs that would occur anyway) from additional expenditure for the improvement, and by showing the project merit and financial return both with and without conditional grant support. This ensures that if grant funding is delayed or unavailable, the project economics remain sound.

How does timing affect eligibility for manufacturing grant programs?

Project timing matters significantly for grant eligibility. Programs often specify when eligible work can commence—before or after registration, approval, or financial commitment. Manufacturers must document feasibility approval, final investment decision, purchase or lease commitments, installation, and commissioning dates separately. For schemes like the ACCU program, the Clean Energy Regulator's newness guidance identifies certain investment and asset commitments as potentially significant before registration. Submitting a project brief early—before making binding commitments—allows advisers to confirm which funding pathways remain available. Our project-timing guidance helps manufacturers preserve evidence and funding options by raising eligibility questions while projects are still being scoped, not after work has begun or completed.