

Net Zero Fund – National Reconstruction Fund Corporation (NRFC)

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Funding program archive

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Publication date: the source publication date.

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What this article reported

The \$5 billion Net Zero Fund is a new investment initiative delivered through the National Reconstruction Fund Corporation (NRFC) to help Australian businesses accelerate decarbonisation, expand domestic manufacturing of low-emissions technologies, and deliver major industrial transformation projects.

Unlike traditional government grants, the Net Zero Fund provides debt, equity and guarantee investments for commercially viable projects. It has been designed with a lower benchmark rate of return than the NRFC General Fund, allowing support for earlier-stage businesses, first-of-a-kind projects and capital-intensive investments that contribute to Australia's transition to a net zero economy.

Businesses undertaking significant decarbonisation projects may also be eligible for investment through other NRFC funding streams where projects align with the Corporation's broader investment priorities.

What is the Investment guidance - National Reconstruction Fund Corporation (NRFC)?

The National Reconstruction Fund Corporation (NRFC) was established to drive industrial capability, economic resilience and long-term value creation in Australia.

Under its Investment guidance:

The NRFC can invest through debt, equity and guarantees

It targets a portfolio return of 2-3% above the 5-year Australian Government bond rate over the medium to long term

It invests across seven priority areas : Renewables and low emission technologies Enabling capabilities
Defence capabilities Transport Value-add in resources Value-add in agriculture, forestry and fisheries
Medical science

Importantly, the NRFC does not provide grants and cannot directly finance coal or natural gas extraction, pipeline infrastructure construction, or native forest logging .

Who is this for?

State: Australia-wide

Industry Sectors:

Manufacturing

Heavy Industry

Renewable & Low Emission Technologies

Advanced Manufacturing & Enabling Capabilities

Transport

Mining & Resources (Value-Add)

Agriculture, Forestry & Fisheries (Value-Add)

Medical Science

Defence

The Net Zero Fund is designed for Australian businesses seeking investment to:

Decarbonise energy-intensive operations

Manufacture renewable or low-emissions technologies

Commercialise innovative technologies

Scale advanced manufacturing capability

Deliver major capital investment projects

Expand industrial capability while supporting Australia's net zero objectives

Projects should align with the National Reconstruction Fund Corporation's investment priorities and demonstrate strong commercial potential.

Who is this for?

Eligibility: You can apply if you:

You can apply if your proposal:

Is solely or mainly Australian based

Supports industrial decarbonisation or the manufacture of renewable and low-emissions technologies

Aligns with at least one of the NRFC's priority investment areas

Is not a prohibited investment (including coal or natural gas extraction, construction of pipeline infrastructure, or native forest logging)

Demonstrates a commercial risk and return profile consistent with the NRFC Investment Mandate

Supports legislated public policy outcomes including: Growing Australia's industrial capability
Supporting value-adding industries Improving economic resilience and diversity

Includes an Australian Industry Participation Plan where required

What is the Net Zero Fund?

The \$5 billion Net Zero Fund forms part of the Australian Government's Industry Sector Plan and has been established to accelerate investment in projects that reduce industrial emissions while strengthening Australia's manufacturing capability.

The fund has been specifically designed to:

Support large industrial businesses to decarbonise energy-intensive operations

Increase domestic manufacturing of renewable and low-emissions technologies

Unlock new private sector investment

Improve energy affordability in hard-to-abate industries

Help Australia achieve its net zero emissions targets

Unlike the NRFC General Fund, the Net Zero Fund has a lower benchmark rate of return, enabling the Corporation to invest in:

Earlier-stage businesses

First-of-a-kind commercial projects

Projects requiring significant upfront capital

Investments with longer repayment periods

Innovative technologies with strong long-term economic benefits

Investment is available through debt, equity or guarantees depending on the needs of the project.

What can the investment be used for?

The Net Zero Fund can support a wide range of major industrial investment projects, including:

Industrial decarbonisation projects

Electrification of manufacturing processes

Energy efficiency upgrades

Renewable energy integration

Manufacturing of renewable and low-emissions technologies

Commercialisation of Australian innovation

Expansion of advanced manufacturing capability

Major capital equipment purchases

New production facilities

Supply chain resilience initiatives

Regional manufacturing projects

Projects creating skilled jobs and strengthening Australia's industrial capability

Northmore Gordon can assist businesses to prepare competitive investment proposals by supporting:

Decarbonisation strategy development

Energy efficiency assessments

Business case development

Financial modelling

Commercial feasibility studies

Investment readiness assessments

Capital raising strategy

Australian Industry Participation Plans

End-to-end investment proposal preparation

Why is the Net Zero Fund different?

The Net Zero Fund has been established to support projects that may not fit traditional commercial investment models but deliver significant long-term economic and environmental benefits.

Compared with the NRFC General Fund, the Net Zero Fund offers:

Greater flexibility for emerging technologies

Support for first-of-a-kind projects

Lower commercial return expectations

Longer investment horizons

Capacity to support projects with substantial upfront capital requirements

This provides businesses with greater opportunities to secure government-backed investment for transformative industrial projects.

How to apply

The Net Zero Fund is now open for investment proposals.

Given the commercial assessment requirements, financial due diligence and strategic policy alignment needed to secure investment, preparing a competitive proposal requires careful planning and robust supporting documentation.

Northmore Gordon works with businesses throughout the entire process, including:

Initial eligibility assessment

Investment strategy development

Financial modelling

Business case preparation

Commercial feasibility

Proposal development

Submission support

Our team can help position your project to maximise its prospects of securing investment through the Net Zero Fund or other National Reconstruction Fund Corporation investment programs.

Speak to Northmore Gordon

If your business is planning a major decarbonisation project, manufacturing expansion, renewable energy investment or industrial transformation initiative, the Net Zero Fund could provide significant government-backed investment.

Northmore Gordon can assess your eligibility, identify the most appropriate NRFC investment pathway, and prepare a compelling investment proposal on your behalf.

Contact Northmore Gordon today to discuss your project and explore funding opportunities through the Net Zero Fund and the National Reconstruction Fund Corporation.

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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Contact Northmore Gordon

What is the Net Zero Fund and who delivers it?

The Net Zero Fund is a \$5 billion investment initiative delivered through the National Reconstruction Fund Corporation (NRFC) to help Australian businesses accelerate decarbonisation, expand domestic manufacturing of low-emissions technologies, and deliver major industrial transformation projects. Unlike traditional government grants, the Net Zero Fund provides debt, equity and guarantee investments for commercially viable projects. It has been designed with a lower benchmark rate of return than the NRFC General Fund, allowing support for earlier-stage businesses, first-of-a-kind projects and capital-intensive investments that contribute to Australia's transition to a net zero economy.

When does the Net Zero Fund open for applications and what is the application process timeline?

The Net Zero Fund opens for applications on 16 June 2026, with the closing date to be confirmed. Businesses should prepare their applications in advance, particularly given the complexity of investment proposals and eligibility assessments. We can assist with early-stage investment readiness assessments, business case development and eligibility confirmation to ensure applications meet NRFC requirements and demonstrate commercial viability within the stated investment mandate.

What types of projects or activities are eligible for Net Zero Fund investment?

The Net Zero Fund supports industrial decarbonisation projects, electrification of manufacturing processes, energy efficiency upgrades, renewable energy integration, manufacturing of renewable and low-emissions technologies, commercialisation of Australian innovation, advanced manufacturing capability expansion, major capital equipment purchases, new production facilities, supply chain resilience initiatives, regional manufacturing projects, and projects creating skilled jobs. Investment must align with at least one NRFC priority area: Renewables and low emission technologies, Enabling capabilities, Defence, Transport, Value-add in resources, or Value-add in agriculture, forestry and fisheries.

Who is ineligible for Net Zero Fund investment, and what projects cannot be funded?

The NRFC does not provide grants and cannot directly finance coal or natural gas extraction, pipeline infrastructure construction, or native forest logging. Businesses must ensure their proposals are solely or mainly Australian-based, demonstrate commercial risk and return profiles consistent with the NRFC Investment Mandate, support legislated public policy outcomes, and include an Australian Industry Participation Plan where required. Proposals that do not align with these criteria or fall within prohibited investment categories are not eligible.

What eligibility criteria must a business meet to apply for Net Zero Fund investment?

Businesses must demonstrate that their proposal is solely or mainly Australian-based, supports industrial decarbonisation or renewable and low-emissions technology manufacture, aligns with at least one NRFC priority investment area, is not a prohibited investment, shows a commercial risk and return profile consistent with the NRFC Investment Mandate, supports legislated public policy outcomes such as growing industrial capability and economic resilience, and includes an Australian Industry Participation Plan where required. Early assessment of these criteria against your project scope is essential before submission.

How can Northmore Gordon help businesses prepare for Net Zero Fund applications?

We assist with decarbonisation strategy development, energy efficiency assessments, business case development, financial modelling, commercial feasibility studies, and investment readiness assessments. We can support capital raising strategy, Australian Industry Participation Plan preparation, and end-to-end investment proposal development, including initial eligibility assessment, investment strategy refinement, and submission support. This comprehensive approach helps businesses demonstrate commercial viability and alignment with NRFC priorities.

What portfolio return does the NRFC target, and how does the Net Zero Fund differ from traditional financing?

The NRFC targets a portfolio return of 2–3% above the 5-year Australian Government bond rate over the medium to long term. The Net Zero Fund deliberately operates with a lower benchmark rate of return than the NRFC General Fund, enabling support for earlier-stage businesses, first-of-a-kind projects and capital-intensive investments that advance Australia's net zero transition. This differs fundamentally from traditional grants or commercial loans, as it represents patient capital aligned with long-term industrial decarbonisation objectives.

What industry sectors and business types can benefit from Net Zero Fund investment?

The Net Zero Fund covers Australia-wide sectors including Manufacturing, Heavy Industry, Renewable and Low Emission Technologies, Advanced Manufacturing and Enabling Capabilities, Transport, Mining and Resources (value-add activities), Agriculture, Forestry and Fisheries (value-add), Medical Science, and Defence. Eligible businesses range from established manufacturers seeking decarbonisation and technology transitions to emerging companies commercialising Australian low-emissions innovations. The fund's lower rate of return benchmark makes it particularly suitable for capital-intensive projects with longer payback periods.