

Powering the Regions Fund – Industrial Transformation Stream (Round 3)

Canonical: <https://northmoregordon.com/grants-and-programs/powering-the-regions-fund-industrial-transformation-stream-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: the source publication date.

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 Powering the Regions Fund - Industrial Transformation Stream (Round 3) is now open for applications. This \$400 million national program supports industrial facilities in regional Australia to reduce emissions, improve energy efficiency, electrify processes, and adopt low-emissions technologies.

Round 3 focuses on innovation and commercial deployment of clean technologies that accelerate industrial decarbonisation. It offers substantial co-funding opportunities for projects that can deliver measurable emission reductions.

Overview

The Industrial Transformation Stream (ITS) forms part of the Australian Government's Powering the Regions Fund, designed to ensure Australia's regions remain competitive as the economy transitions to net zero.

Through this round, ARENA will provide co-funding support for projects that help regional industries trial, demonstrate, or deploy innovative low-emissions solutions.

Projects may target activities such as electrification, renewable integration, fuel switching, process efficiency improvements, or enabling infrastructure.

Who is this for

This grant is designed for industrial operators in regional Australia, including:

Manufacturing, mining, and mineral processing facilities

Food and beverage production

Chemical and material producers

Heavy industry and large-scale processing sites

Eligible applicants must operate outside Greater Capital City Statistical Areas and have operational control of a facility that reports under the National Greenhouse and Energy Reporting (NGER) Act 2007.

This opportunity is particularly relevant for businesses seeking to:

Reduce their carbon footprint

Electrify industrial processes

Integrate renewable energy and storage solutions

Improve energy efficiency at scale

Funding Details

Total funding available: up to \$400 million across the program

Funding type: Competitive, merit-based grant

Co-contribution: Applicants are expected to match funding at a minimum 1:1 ratio

Funding streams: Innovation in Industrial Decarbonisation (pilot or first-of-kind projects) Advancing Commercial Deployment (scaling up proven low-emissions solutions)

Funding is available until the budget is exhausted. Applications are accepted on a rolling basis.

Eligibility

You can apply if you:

Operate an industrial facility in regional Australia

Hold an Australian Business Number (ABN)

Are an Australian-incorporated entity, a state or territory body, local government, or a representative organisation for industrial operators

Are subject to or associated with an entity that reports under the NGER Act 2007

Can provide at least 50% co-funding for the total project cost

Propose a project that demonstrates measurable reductions in Scope 1 or 2 emissions

Applicants with existing funding from other Powering the Regions Fund streams may not be eligible for additional support.

What can the funding be used for

Funding can support a wide range of decarbonisation projects, including:

Feasibility studies and front-end engineering design (FEED) for industrial decarbonisation

Demonstration or first-of-kind projects deploying innovative technologies

Commercial deployment of proven solutions that are not yet widely adopted

Enabling infrastructure, such as on-site renewables, battery storage, or grid-connection upgrades

How Northmore Gordon can help

Northmore Gordon works with industrial clients to develop and deliver impactful decarbonisation projects. We can help you:

Assess project eligibility and emissions-reduction potential

Prepare strong business cases and financial models

Structure co-investment and cash-flow

Manage grant submissions, reporting, and compliance

Our experts can guide you from early feasibility through to successful funding and delivery.

Key Dates

Applications open: September 2025

Applications close: When funding is fully allocated (no fixed closing date)

Application process: Two-stage assessment Expression of Interest (EOI) Full Application (if invited)

Early applications are encouraged, as funding is competitive and assessed on merit.

How to Apply

Applications are made through ARENA , but Northmore Gordon can manage the entire process on your behalf - from eligibility assessment to full submission preparation.

Our team specialises in industrial energy and carbon management, ensuring your project is well-positioned to secure funding and deliver real emissions reductions.

Ready to Apply?

If your business operates a regional industrial facility and is considering a decarbonisation project, now is the time to act. Contact Northmore Gordon today to confirm your eligibility, discuss your project concept, and start preparing your 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.

Related guidance

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Contact Northmore Gordon

What makes a project eligible for the Powering the Regions Fund – Industrial Transformation Stream (Round 3)?

Projects must be based at industrial facilities in regional Australia outside Greater Capital City Statistical Areas, with applicants holding an ABN as Australian-incorporated entities, state/territory bodies, or local government. The facility must be subject to or associated with an entity reporting under the National Greenhouse and Energy Reporting (NGER) Act 2007. Critically, applicants must demonstrate at least 50% co-funding capacity and propose projects with measurable Scope 1 or 2 emissions reductions. Applicants cannot hold existing funding from other Powering the Regions Fund streams. We can assess your facility's NGER reporting status, emissions baseline, and co-funding capacity to confirm eligibility before application.

How does the two-stage application process work, and what should applicants prepare first?

Round 3 uses a competitive two-stage process: Expression of Interest (EOI) first, then Full Application if invited. Early applications are encouraged because funding is merit-assessed and allocated competitively. Applicants should prepare feasibility documentation, preliminary cost estimates, emissions-reduction targets, and co-funding commitments before submitting the EOI. We can help develop the technical case during the EOI phase, including energy audits, baseline modelling, and opportunity assessment. This foundation strengthens both the EOI and the subsequent Full Application, reducing the risk of eligibility queries or rejection.

What types of industrial decarbonisation projects does the fund support, and how should applicants structure their proposal?

The fund supports four project categories: feasibility studies and front-end engineering design (FEED), demonstration or first-of-kind innovative technology deployments, commercial scaling of proven solutions not yet widely adopted, and enabling infrastructure such as on-site renewables, battery storage, or grid upgrades. Proposals should clearly identify which category applies, quantify expected emissions reductions, and link the project to measurable Scope 1 or 2 outcomes. We can help structure proposals by conducting energy audits to establish baselines, modelling savings against operating conditions, and preparing investment cases that demonstrate commercial viability alongside emissions benefits. This clarity improves assessment credibility and funding prospects.

What is the co-contribution requirement, and how should applicants structure their funding mix?

Applicants must provide at least 50% co-funding of total project cost, meeting a minimum 1:1 matching ratio with grant support. Co-funding can come from internal capital, commercial debt, supplier financing, or other government grants, but applicants cannot combine support from multiple Powering the Regions Fund streams. Structuring the funding mix requires clear identification of each source, its availability, and timing. We provide funding-pathway assessment to identify and sequence available support mechanisms, structure investment cases that satisfy co-funding requirements, and manage applications for complementary funding from state or territory programs. This coordination reduces funding uncertainty and strengthens the overall application.

How should applicants quantify emissions reductions to meet the grant's requirements?

Projects must demonstrate measurable reductions in Scope 1 emissions (direct from operations) or Scope 2 emissions (purchased electricity). Quantification should use baseline data from your NGER reporting where available, or from energy audits and operating records if below reporting thresholds. The calculation must account for operating conditions, production volumes, and comparable periods, distinguishing engineering estimates from measured outcomes. We can establish auditable baselines using your energy bills and meter data, model expected reductions against realistic operating assumptions, and prepare measurement and verification plans to track actual performance post-implementation. This rigor demonstrates credibility to assessors and supports post-grant reporting obligations.

What role does NGER reporting status play in eligibility, and how can applicants confirm it?

Eligibility requires that applicants be subject to or associated with an entity reporting under the NGER Act 2007. NGER applies to facilities with annual energy consumption exceeding 100 terajoules or Scope 1 and 2 emissions exceeding 25,000 tonnes CO₂-equivalent. Your facility may fall below these thresholds but be associated with a larger group entity that reports. We can assess your facility against NGER thresholds using energy consumption data, confirm reporting obligations, and establish the relationship to any parent or group reporting entity. This assessment clarifies eligibility early and identifies whether your facility qualifies directly or through corporate-group reporting, informing the application strategy.

How can Northmore Gordon support the full application journey from eligibility assessment to grant delivery?

We provide end-to-end support across the application lifecycle. Services include initial eligibility assessment against NGER and co-funding requirements, energy audits and baseline modelling to quantify emissions reductions, investment case development to demonstrate commercial viability, funding-pathway assessment to structure co-contribution sources, and full application preparation including technical narratives and financial schedules. Post-approval support covers reporting compliance, measurement and verification to track outcomes, and performance reviews. This comprehensive approach reduces application risk, improves assessment quality, and ensures compliance with grant conditions throughout the project lifecycle.

What supporting evidence should applicants gather before submitting an Expression of Interest?

Applicants should prepare: current energy bills and interval meter data, production volumes or operating schedules, equipment descriptions and installation dates, existing energy audits or studies, a preliminary NGER or emissions inventory if available, co-funding source confirmations with availability dates, and a description of the proposed intervention with expected emissions-reduction outcomes. This evidence allows assessors to evaluate project credibility and supports quick progression to Full Application if the EOI is successful. We can help gather and organize this evidence, identify gaps, and prepare a project brief that coordinates site information, decision owner roles, and evidence responsibilities. This preparation streamlines both EOI and Full Application stages.

Are there restrictions on combining Powering the Regions Fund support with other government programs?

Yes. Applicants cannot combine funding from multiple Powering the Regions Fund streams (such as Hydrogen, Critical Minerals, or Battery Recycling streams alongside Industrial Transformation). However, projects may access complementary state or territory programs if no duplication of funding occurs for the same project activity. Grant administrators assess compatibility explicitly. We conduct funding-status reviews to identify which programs apply to your project, verify non-duplication, and prepare separate applications for genuinely distinct funding opportunities. This coordination prevents compliance breaches, maximizes available support, and ensures your funding strategy withstands grant administration scrutiny.