

Powering the Regions Fund – Safeguard Transformation Stream \$50m – Round 2

Canonical: <https://northmoregordon.com/grants-and-programs/powering-the-regions-fund-safeguard-transformation-stream-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: 5 February 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

New round announced 5 February 2026 - The Safeguard Transformation Stream (STS) forms part of the Powering the Regions Fund, announced under the Australian Government's Powering Australia plan.

Originally released in January 2023 as part of the Government's Safeguard Mechanism Reforms, the STS supports Australia's ambition to become a renewable energy superpower.

The Australian Government has committed a total of \$600 million over the life of the program. For this first round of the Powering the Regions Fund - Safeguard Transformation Stream, up to \$300 million is available over four years .

Objectives of the Safeguard Transformation Stream

The grant opportunity is designed to:

Support trade-exposed facilities covered by the Safeguard Mechanism to reduce emissions and contribute to Australia's 2030 and 2050 emissions reduction targets

Reduce the risk of carbon leakage, where emissions-intensive production shifts to countries with less stringent climate policies

Support skills development for the existing industrial workforce, enabling the adoption of new equipment and processes that reduce Scope 1 emissions

Intended Outcome

The intended outcome of this grant opportunity is a measurable reduction in emissions at trade-exposed Safeguard facilities, consistent with their obligations under the Safeguard Mechanism.

Who is this for?

Owners or operators of a trade-exposed Safeguard Mechanism facility that is not a new or expanded coal or gas production facility.

Funding Amount:

The Powering the Regions Fund - Safeguard Transformation Stream Round 2 grant opportunity will provide up to \$50 million to trade exposed facilities to reduce their emissions and contribute to meeting Australia's emissions reduction targets.

Eligibility:

You can apply if you:

are an eligible entity

have an eligible project

have eligible expenditure

Eligible Entity requirements, you can apply if you:

are an owner or operator of a trade-exposed safeguard mechanism facility that is not a new or expanded gas or coal facility

have an Australian business number (ABN)

and are one of the following entities:

an entity incorporated in Australia

company limited by guarantee

incorporated association

You can't apply if you are:

the owner of a trade-exposed Safeguard facility that is also a new or expanded coal or gas facility

an organisation, or your project partner is an organisation, included on the National Redress Scheme's list of Institutions that have not joined or signified their intent to join the Scheme

an employer of 100 or more employees that has not complied with the Workplace Gender Equality Act (2012).

Partner with other organisations

You can partner with one or more other organisations that also meet the eligibility criteria. But you must decide who the lead organisation is. The lead organisation must fill out the application form.

Eligible Project requirements:

You must complete your project by 31 March 2033.

The maximum project period is 60 months.

Your project must:

be aimed at contributing to Australia's emissions reduction targets.

Your project must be delivered in one of the following locations:

on-site at any eligible facility, or

shared infrastructure, with practical connection to an eligible facility and the grantee, located in Regional Australia (defined as any area outside a Greater Capital City but including Kwinana).

Eligible Expenditure:

You can apply for a grant between \$500,000 and \$50,000,000.

You can use this grant funding for:

newly purchased or pre-existing plant and equipment

hired/leased plant

constructed plant

labour expenditure and on-costs

contract expenditure

staff training that directly supports the achievement of project outcomes

decommissioning old equipment

To be eligible, expenditure must:

be incurred by you, or your project partners (if applicable) within the project period

be a direct cost of the project

be incurred by you, or your project partners (if applicable) to undertake required project audit activities (where applicable)

meet the eligible expenditure guidelines.

Applications will be assessed in batches:

Batch 1 : 5 February 2026 - 5 May 2026

Batch 2 : 6 May 2026 - 5 November 2026

Batch 3 : 6 November 2026 - 6 May 2027

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 emissions reductions does the Safeguard Transformation Stream Round 2 support?

The grant supports Scope 1 emissions reductions at trade-exposed Safeguard Mechanism facilities through newly purchased or pre-existing plant and equipment, hired or leased plant, constructed infrastructure, labour expenditure, contract work, and staff training. Projects must be completed by 31 March 2033 and delivered either on-site at an eligible facility or via shared infrastructure with practical connection. We can assist by conducting energy audits to identify reduction opportunities, assessing

project feasibility, preparing investment cases that connect technical improvements to eligible expenditure categories, and supporting measurement and verification planning to demonstrate achieved outcomes.

How does the \$500,000 to \$50,000,000 funding range affect project eligibility and planning?

The wide funding range accommodates projects from modest equipment upgrades to substantial infrastructure transformation. Applicants must establish a credible investment case proportionate to their requested amount, demonstrating that eligible expenditure justifies the grant sought. We can help structure applications by preparing detailed cost estimates, identifying eligible versus ineligible expenditure categories, building business cases that explain the decision and operational requirements, and comparing project scenarios with and without conditional funding support to ensure management understands the investment merit independently.

What is the significance of the 'trade-exposed' and 'Safeguard Mechanism facility' eligibility requirement?

Trade-exposed Safeguard Mechanism facilities are those exceeding 100,000 tonnes CO₂-e of covered emissions per year and at risk of carbon leakage if domestic emissions reduction increases costs relative to international competitors. The eligibility requirement means only these high-impact facilities qualify, focusing the \$50 million Round 2 allocation on industrial emitters with material emissions reduction potential. We can confirm facility coverage status, assess baseline emissions under the Safeguard framework, identify covered emissions distinct from total scope 1–3 footprint, and support the development of emissions reduction pathways aligned with facility-specific operational and financial constraints.

How should applicants approach the three-batch assessment timeline between February 2026 and May 2027?

The three batches (5 Feb–5 May 2026; 6 May–5 Nov 2026; 6 Nov 2026–6 May 2027) allow applicants to time submissions according to project readiness and internal approval timelines. Early batches may offer faster feedback but less preparation time; later batches accommodate more thorough feasibility work. Applicants should clarify their project stage, required studies, and internal decision deadlines before selecting a batch. Our six-stage delivery approach—Assess, Build the Case, Capture Value, Deliver, Procure and Perform—can be aligned with batch deadlines to ensure applications contain verified eligibility assumptions, realistic cost and savings estimates, resolved technical questions, and evidence of genuine commitment.

What role does project partnership play in strengthening applications?

Applicants can partner with other eligible organisations, with one designated as the lead organisation responsible for the application. Partnerships can distribute technical expertise, share infrastructure costs, or combine capabilities across sites. However, all partners must meet eligibility criteria independently. We can help structure multi-site or shared-infrastructure proposals by defining project boundaries, allocating costs and benefits transparently, confirming practical connection between facilities, preparing separate investment cases for comparison, and clarifying how Safeguard baselines and emissions measurement will be managed across partner entities or shared assets.

How do regional location requirements and decommissioning eligibility affect project scope?

Projects must be located in Regional Australia (outside Greater Capital City areas, including Kwinana) and can fund decommissioning of old equipment alongside new installation. This encourages distributed industrial emissions reduction and supports workforce transition from retiring assets. Applicants must confirm their facility location qualifies and clarify whether decommissioning expenditure is material to their investment case. We can assess facility location eligibility, model the capital and operating implications of equipment retirement combined with new technology adoption, support skills

development planning for workforce transition, and verify that decommissioning and replacement activities align with eligible expenditure categories and project timelines.

What ineligibility exclusions should applicants verify before committing resources to an application?

Applicants cannot apply if their facility is a new or expanded coal or gas production facility, if they or project partners appear on the National Redress Scheme list of non-compliant institutions, or if they are an employer of 100+ employees non-compliant with the Workplace Gender Equality Act 2012. These exclusions require early verification to avoid wasted application effort. Organisations should confirm facility classification, check institutional compliance status, and review employment equity obligations before initiating assessments. We can help verify facility eligibility status, identify potential compliance risks in organisational structures, and recommend pre-application clarification with the administering body where eligibility boundaries are uncertain.

How should applicants separate project merit from funding eligibility when building their case?

A project may be operationally worthwhile without grant support, but funding eligibility depends on meeting specific scheme criteria including facility coverage, emissions reduction outcome, eligible expenditure, and regional location. Applicants should prepare their investment case showing both scenarios—with and without conditional grant support—so decision-makers understand the project's standalone merit and the effect of funding uncertainty. This approach prevents overstatement of returns tied to unconfirmed contributions. Our investment case guidance emphasizes this separation, helping applicants present realistic operating benefits, transparent cost assumptions, and resilient decisions that remain sound if grant support is delayed, reduced or unavailable.