

Powering The Regions Industrial Transformation Stream Program

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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

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 is the Industrial Transformation Stream Program (ITS Program)?

The ITS Program is a \$400 million initiative under Powering the Regions that supports the reduction of scope 1 and scope 2 emissions at existing industrial facilities in regional Australia. It aims to help Australian industrial businesses meet the country's 2030 emissions reduction goals and net zero by 2050 commitments. The program provides capital funding to demonstrate renewable energy, energy efficiency, and electrification technologies that significantly reduce emissions or improve industrial process energy efficiency. It also encourages technology demonstration, collaboration, and workforce upskilling in decarbonisation activities.

Who is eligible to apply for the ITS Program?

Eligible applicants are Australian companies, State or Territory-owned corporations, or local governments. The applicant must hold an Australian Business Number (ABN) and be incorporated under the Corporations Act 2001 (Cth), or be a State/Territory-owned entity or subsidiary, or an Australian local government. Projects must occur in regional areas and directly benefit an industrial facility under the applicant's operational control. The facility must meet the Corporate Group Threshold for National Greenhouse and Energy Reporting (NGER). Projects at new or expanded coal and gas facilities are ineligible.

What types of emissions and technologies does the ITS Program support?

The ITS Program targets Scope 1 (direct) and Scope 2 (indirect) emissions reductions. Eligible projects involve renewable energy technologies, electrification technologies, or energy efficiency technologies. Round 1 focus areas specifically target process heat decarbonisation in industrial processes and off-road transport decarbonisation. Projects must not include research activities. The program does not fund facilities that are new or have undergone expansion for coal or gas operations, ensuring funding supports genuine decarbonisation rather than new fossil fuel infrastructure.

How can Northmore Gordon support an industrial facility preparing an ITS Program application?

We provide energy optimisation, carbon advisory, and environmental certificate services aligned with ITS Program objectives. The company can conduct energy audits and utility benchmarking to identify process heat and electrification opportunities, prepare feasibility studies and investment cases for renewable or efficiency technologies, support emissions inventories and Scope 1/2 carbon accounting, and assess measurement and verification approaches required for funded projects. Our delivery model—from assessment through implementation and ongoing performance tracking—supports the full project lifecycle, helping facilities build credible applications and deliver demonstrated outcomes.

What is the application process for the ITS Program, and how should a facility prepare?

The ITS Program uses a two-stage process: an Expression of Interest (EOI) followed by a Full Application. Assessment is based on merit and alignment with active ITS Focus Areas. Before applying, a facility should prepare a project brief documenting the business problem, site location, existing equipment and energy data, proposed technology and scope, baseline emissions or energy use, and expected outcomes. A Northmore Gordon project brief template helps organise this information. Early engagement with an adviser can clarify eligibility, identify the strongest evidence to support the application, and align the proposal with current focus areas and assessment criteria.

What does NGER compliance mean for ITS Program eligibility, and how does it affect my facility?

The facility must be under the operational control of an entity meeting the NGER Corporate Group Threshold to be eligible. NGER (National Greenhouse and Energy Reporting) is Australia's mandatory reporting framework; the corporate threshold is 50,000 tonnes CO₂-e or 200 terajoules annually. If your facility meets or exceeds these thresholds, your parent company must report under NGER. This requirement ensures the ITS Program targets significant industrial energy users where emission reductions have material impact. We can assess NGER applicability, help establish emissions baselines, and support the reporting obligations that accompany funded projects.

What funding amounts are available in ITS Program Round 1, and how are projects selected?

ARENA has allocated \$150 million toward Round 1 Focus Areas, targeting process heat decarbonisation and off-road transport decarbonisation. The program is ongoing and accepts applications between funding rounds. Projects are assessed on merit and alignment with active focus areas outlined in the ITS Guidelines. Selection criteria typically evaluate technical readiness, commercial viability, emissions reduction potential, demonstration value, and collaboration opportunities. The funding structure recognises that industrial decarbonisation requires substantial capital; a credible feasibility study and investment case strengthens competitiveness by demonstrating realistic costs, savings, and operational integration.

What restrictions apply to ITS Program funding, and how do they affect project eligibility?

Projects must not have received funding or be under assessment for funding under other Powering the Regions streams (Safeguard Transformation Stream, CICEI Primary Steel Production, or CICEI Cement/Lime/Alumina/Aluminium). Projects at new or expanded coal and gas facilities are ineligible. Research-only projects are excluded; the program funds demonstration and deployment. These restrictions focus ITS funding on genuine emissions reduction at existing industrial operations, rather

than expansion of fossil fuel infrastructure or pure research. A facility should disclose any prior funding applications or assessments to avoid inadvertent ineligibility and ensure the ITS Program remains the appropriate funding route for its proposal.

How should a facility establish a baseline and measure emissions reduction for an ITS Program project?

Establish a clear baseline describing pre-project Scope 1 and Scope 2 emissions, energy consumption, operating conditions, and production levels. Document the baseline through energy bills, metering data, production records, and emissions calculations aligned with NGER methodology where applicable. Define the measurement boundary, which equipment or processes the project affects, and which operating variables (temperature, throughput, occupancy) must be recorded. Plan measurement before implementation to preserve baseline evidence. Our measurement and verification services help design baselines, identify required metering, and calculate verified savings. This approach supports both ITS assessment criteria and future reporting obligations.

What is the role of energy management and ongoing performance in an ITS Program project?

Funded projects are expected to deliver sustained emissions reductions and operational outcomes. An energy management system—assigning responsibility for implementation, monitoring performance, and responding to changes—ensures benefits are realised and maintained. Our energy management guidance emphasises documenting the decision owner, establishing performance indicators, maintaining an opportunity register, and conducting regular reviews. For ITS projects, this translates into contractual obligations around measurement, reporting, and outcome verification. Building performance tracking into project design, rather than adding it after commissioning, reduces the risk of shortfall and strengthens the case for future funding rounds or technology expansion.