

SME Industrial Decarbonisation Fund

Canonical: <https://northmoregordon.com/grants-and-programs/sme-industrial-decarbonisation-fund/>

Details:

[Summary](#) | [Article](#) | [Current use](#) | [Related guidance](#)

Funding program archive

This page preserves a dated funding-program record and links it to current project-planning guidance.

Publication date: 1 July 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

The SME Industrial Decarbonisation Fund provides matched co-investment to help Australian manufacturers reduce Scope 1 emissions by transitioning energy-intensive processes away from fossil fuels. Delivered by the Advanced Manufacturing Growth Centre (AMGC), the fund supports eligible projects that improve energy efficiency, accelerate electrification, and strengthen the long-term competitiveness of Australian manufacturing businesses.

Funding available

The fund provides co-investment of:

\$200,000 to \$500,000 per project

Up to 50% of eligible project costs

Applicants must contribute at least 50% of eligible project costs in cash

Total program funding of \$10 million is available until funds are exhausted

Applications opened on 1 July 2026 and will remain open until 31 December 2027, or earlier if funding is fully allocated. Eligible projects must be completed by 31 March 2028.

Who is this for?

State: Australia (National)

Industry: Advanced Manufacturing

Eligibility: You can apply if you:

Are an Australian small- to medium-sized (SME) business with up to 200 employees

Hold a valid ABN and ACN

Are registered for GST and are not tax exempt

Are incorporated in Australia

Can provide at least 50% of eligible project costs in cash

Are delivering a project within Australia

Can complete the project by 31 March 2028

Can demonstrate measurable emissions reductions and a pathway to commercial viability

Operate manufacturing processes that currently rely on fossil fuels and are transitioning to renewable energy technologies or electrification

What can the grant be used for?

The SME Industrial Decarbonisation Fund supports projects that help manufacturers reduce direct emissions by replacing fossil fuel-powered manufacturing processes with renewable energy technologies and electrification.

Eligible projects may include:

Electrification of manufacturing equipment and production processes

Upgrades to process steam systems

Surface treatment improvements such as electric curing technologies

Electrification of metals processing equipment including furnaces and kilns

Power supply upgrades to support increased electrical capacity

Renewable energy assessments

Workforce training and certification relating to renewable energy technologies

Regulatory compliance associated with facility upgrades

Capital equipment that enables the transition from fossil fuels

Northmore Gordon can assist with projects involving:

Manufacturing equipment upgrades

Capital investment planning

Energy efficiency and decarbonisation projects

Technology adoption and process improvements

Preparing a competitive grant application that aligns with the fund's merit criteria

Eligible project examples

The fund is targeting projects in areas including:

Surface treatment such as powder coating and galvanising

Process steam used in food manufacturing, sterilisation and industrial cleaning

Metals processing including foundries, fabrication and heat treatment

Projects should demonstrate clear reductions in Scope 1 emissions while improving operational efficiency and supporting long-term sustainability.

Assessment criteria

Applications are assessed competitively against criteria including:

Contribution to industrial decarbonisation outcomes

Technical merit and innovation

Applicant capability and project delivery experience

Financial viability and co-investment commitment

Project methodology, risk management and compliance

Knowledge sharing and industry impact

Applications are considered on a continuous, first-come, first-served basis until available funding is exhausted.

How can Northmore Gordon help?

Preparing a strong application requires demonstrating technical merit, commercial viability, measurable emissions reductions, financial capacity and a well-developed project plan.

Northmore Gordon works with manufacturers to identify eligible project costs, develop compelling business cases, prepare supporting documentation and maximise the likelihood of securing funding.

If your business is planning to invest in industrial decarbonisation, electrification or energy-efficient manufacturing technologies, our team can help prepare and manage your application from start to finish.

Contact Northmore Gordon today to discuss your eligibility and prepare your application for the SME Industrial Decarbonisation Fund.

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

Carbon advisory

Energy audits

Current articles and guidance

Contact Northmore Gordon

What emissions and energy outcomes does the SME Industrial Decarbonisation Fund require applicants to demonstrate?

Applications must demonstrate measurable Scope 1 emissions reductions and establish a pathway to commercial viability. The fund targets manufacturers currently relying on fossil fuels in energy-intensive processes such as surface treatment, process steam, and metals processing. Our measurement and verification services establish credible baselines before project implementation, enabling applicants to quantify expected emissions reductions in tonnes of CO₂-equivalent and document the operating conditions that support those claims. This evidence strengthens competitive assessment and supports post-project verification required under the scheme.

How should manufacturers structure their eligible project costs and cash contribution under the fund rules?

The fund covers up to 50% of eligible project costs, requiring applicants to contribute at least 50% in cash. Eligible costs include capital equipment, power supply upgrades, renewable energy assessments, workforce training, and regulatory compliance associated with facility upgrades. We assist by developing detailed investment cases that separate eligible project costs, identify dependencies, and distinguish capital expenditure that would occur anyway from additional expenditure required for the decarbonisation transition. Clear cost structure improves application competitiveness and supports funding approval and payment processes.

What role does an energy audit play in preparing a strong SME Industrial Decarbonisation Fund application?

An energy audit identifies which manufacturing processes consume the most energy, establishes baseline consumption patterns, and reveals optimization opportunities within current operations. Our Type 2 and Type 3 audits investigate specific equipment, production relationships, and operating conditions, providing quantified estimates of energy performance. These findings inform the business case by clarifying which equipment transitions deliver measurable savings, supporting the application's technical merit assessment. Audits also identify dependencies between measures, ensuring that proposed projects account for interactions rather than overstating isolated savings.

How can feasibility studies strengthen an SME Industrial Decarbonisation Fund application's competitive position?

Feasibility studies assess whether proposed equipment transitions are technically and commercially viable under the manufacturer's actual operating conditions. We conduct engineering assessments for electrification options, heat-recovery systems, and process improvements; model comparative economics between fossil-fuel and renewable pathways; and document implementation dependencies and risks. This foundation demonstrates that the application addresses a real business problem with a credible solution, differentiating it in competitive merit assessment. Documented feasibility also reduces post-project delivery risk and supports successful outcomes verification.

What types of transition planning support does the fund expect applicants to provide, and how can Northmore Gordon assist?

Applications should outline a clear pathway from current fossil-fuel reliance to renewable energy or electrification, identifying intermediate steps, timing, and dependencies. We develop transition pathways that connect technical options with commercial decisions, financial implications, and workforce requirements. Our carbon advisory services, including opportunity assessment and transition planning, establish staged implementation sequences that reflect production constraints, maintenance windows, and capital availability. These workplans demonstrate realistic delivery capability and support assessor confidence in project outcomes.

How does the fund's requirement for project completion by 31 March 2028 affect application timing and scope decisions?

The fixed completion date constrains project scope and implementation sequence. Applications must account for procurement lead times, equipment installation, commissioning, and any regulatory approvals. Our project-timing guidance identifies dependencies that could delay work and helps manufacturers assess whether proposed scope is achievable within the deadline. Early assessment of supply-chain constraints, installation complexity, and commissioning requirements prevents over-scoping and improves delivery certainty. Applications demonstrating realistic scheduling increase competitiveness and reduce post-approval delivery risk.

What measurement and verification approach supports both application credibility and post-project accountability under the fund?

The fund expects applicants to establish baselines and verify delivered emissions reductions. Our measurement and verification services define project boundaries, baseline conditions, and operating variables before implementation, ensuring that post-project evidence can distinguish energy savings from production changes or other operating factors. This M&V; planning, conducted during application preparation, documents the calculation methodology, data collection responsibilities, and reporting approach. Strong M&V; planning demonstrates technical rigor in the application and streamlines compliance reporting after equipment installation and commissioning.

How can manufacturers leverage Northmore Gordon's carbon advisory services to address fund requirements around Scope 1 emissions and decarbonisation strategy?

Our carbon advisory services establish organizational emissions inventories, identify which processes contribute most to Scope 1 emissions, and assess opportunities for reduction through electrification and renewable heat. These diagnostics clarify which equipment transitions deliver the largest emissions benefits relative to project cost. Our transition-planning capability connects inventory findings with engineering feasibility, financial viability, and staged implementation sequencing. This integrated approach supports applications that demonstrate both technical credibility and strategic alignment with long-term decarbonisation objectives.