

Media Release

\$10 MILLION CO-INVESTMENT FUND FOR SME MANUFACTURERS TO DECARBONISE

- *The Australian Renewable Energy Agency (ARENA) is supporting the Advanced Manufacturing Growth Centre (AMGC) to help small-to-medium sized Australian manufacturers decarbonise.*
- *The \$10 million co-investment fund targets electrification of industrial process currently reliant on fossil fuels, including use cases such as metals processing, surface treatment, and process steam.*
- *Eligible manufacturers can apply for matched funding for projects with total eligible costs between \$400,000 and \$1 million.*
- *The program opened on 1 July 2026, and will remain open until funds are allocated, with all projects to be completed before 31 March 2028.*

A new \$10 million co-investment fund to help Australian small and medium sized manufacturers reduce emissions, improve energy efficiency, and transition away from fossil-fuelled based industrial processes has launched.

Funded by the Australian Renewable Energy Agency (ARENA) as part of the organisation's Advancing Renewables Program and delivered by the Advanced Manufacturing Growth Centre (AMGC), the *SME Industrial Decarbonisation Fund* provides matched funding to support practical emissions reduction and operational modernisation.

The Fund will support manufacturers to:

- Implement electrification and other low-emissions technologies in place of existing fossil fuel processes.
- Deliver projects with clear pathways to commercial viability and measurable emissions reductions.
- Share knowledge and lessons learned to help scale successful approaches across the wider manufacturing industry.
- Build workforce capability to operate new equipment and meet certification, safety and compliance requirements.

The Fund prioritises three areas where Australian manufacturers have decarbonisation potential:

- **Surface treatment:** including powder coating, galvanising and metallic finishing.
- **Process steam:** including sterilisation, drying and cooking.
- **Metals processing:** including extraction, fabrication, refinement and transformation.

ARENA Chief Executive Officer Darren Miller said decarbonising manufacturing is essential to Australia's energy transition and that targeted support can help smaller businesses take practical steps to cut emissions.

"Australia cannot reach net zero without transforming how we make the materials and goods that underpin our economy," Mr Miller said.

“This funding extends ARENA’s work in industrial decarbonisation to reach small and medium sized manufacturers, helping them deploy practical solutions and demonstrate approaches that can be replicated across the industry.”

Eligible companies can apply for co-investment for projects valued between \$400,000 and \$1 million with lead manufacturers contributing 50 per cent of eligible project costs on a dollar-for-dollar basis. To qualify, manufacturers must currently employ fewer than 200 staff, be Australian-owned, and operate in Australia.

AMGC Managing Director Dr Jens Goennemann said the Fund strengthens both competitiveness and sustainability for Australian manufacturers.

“This important initiative supports manufacturers across a range of industrial sectors, from food and beverage to surface finishing and metal processing, to improve efficiency and future-proof their operations,” Dr Goennemann said.

“To advance Australia’s industrial capability, all areas of manufacturing must be engaged. This Fund supports skills development, operational transition to lower-emissions, and sharing knowledge to accelerate industry wide progress.”

Applications open July 2026 and will be assessed on a continuous basis until 31 December 2027 or until funding is fully allocated. Further details, including eligibility criteria and application guidelines are available now at www.amgc.org.au/decarbonisation-fund.

Over the past 10 years, AMGC has facilitated more than 500 national collaborations and co-funded over 170 industry projects, creating more than 4,400 jobs across the country. It has invested over \$137 million of combined industry and Government funding into manufacturing projects, generating an estimated \$1.72 billion in additional national revenue.

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About Australian Renewable Energy Agency (ARENA)

The Australian Renewable Energy Agency (ARENA) is an independent Australian Government agency established on July 1, 2012. ARENA’s mission is to accelerate Australia's transition to net-zero emissions by investing in pre-commercial innovation to the benefit of Australian consumers, businesses and workers. <https://arena.gov.au/>

About Advanced Manufacturing Growth Centre (AMGC)

The Advanced Manufacturing Growth Centre (AMGC) is an industry-led, not-for-profit organisation. AMGC’s purpose is to transform Australian manufacturing. Through the delivery of its world-leading research, workshops, and ground-breaking projects, AMGC aims to develop a highly skilled and resilient local manufacturing industry that delivers high-value products via the integration of innovative technology to domestic and international markets. <http://www.amgc.org.au>

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