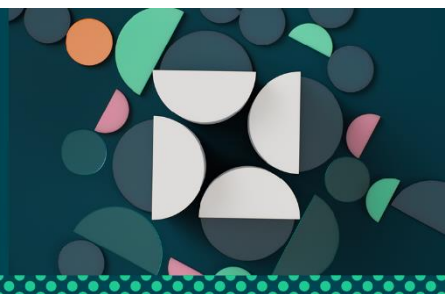


# Media Release

IFM Investors 



## Federal Budget measures have local Sustainable Aviation Fuel industry ready for take off

Wednesday 15 May 2024

IFM Investors has today welcomed measures in the *Federal Budget 2024/25* that are aimed at helping accelerate superannuation investment in Australia's energy transition and establish a local Sustainable Aviation Fuel (SAF) industry.

The Australian Government has highlighted low carbon liquid fuels (including SAF) as having a key role as the global and Australian economies transition to net zero, offering a decarbonisation pathway for many hard-to-abate sectors, including aviation, shipping and heavy transport.

These decisions have the potential to create jobs and avoid costs for households and communities, while delivering for the retirement savings of working people, and include:

- **Certification:** \$18.5 million over four years from 2024-25 to develop a certification scheme for low-carbon liquid fuels, including sustainable aviation fuels and renewable diesel, in the transport sector by expanding the Guarantee of Origin scheme;
- **Incentives consultation:** The Government will be undertaking targeted consultation to identify options for production incentives to support the establishment of a made in Australia low carbon liquid fuel industry;
- **Demand-based analysis:** \$1.5 million over two years from 2024-25 to undertake a regulatory impact analysis of the costs and benefits of introducing mandates or other demand-side measures for low carbon liquid fuels; and
- **Funding support:** Establishing the new \$1.7 billion Future Made in Australia Innovation Fund to fund the deployment of innovative technologies and facilities linked directly to priority industries, including green metals and low carbon liquid fuels.

Global demand for SAF continues to rise and as the aviation sector looks to reduce carbon emissions, an opportunity exists for Australia to make the most of its comparative advantages in agriculture and land availability and become a global leader in SAF production.

IFM Investors, with the support of its industry superannuation fund owners, is partnering with agribusiness GrainCorp to advance the establishment of a local SAF industry. We see the potential to invest more than A\$1 billion to help support the development of local SAF production, and that figure could grow over time.

But we know that this opportunity will only be taken if industry and government work together to achieve the right policy settings.

The Australian Government's budget demonstrates their commitment to a locally produced SAF industry and we look forward to collaborating with government and other key Australian partners to make a local SAF industry a reality.

We will also continue to work closely with the government in other areas to accelerate investment into the energy transition.

We're pleased that the Government has confirmed its investment in the Capacity Investment Scheme, a significant and welcome contribution to underwriting investment in the battery projects needed to enable Australia's energy.

In December last year, IFM and eight profit-to-member superannuation funds, representing around A\$1 trillion of super capital, provided a series of recommendations to state and federal governments identifying policy solutions to help drive greater investment into Australia's energy transition, including on the establishment of a local SAF industry.

Read *Super-powering the energy transition: A policy blueprint to facilitate superannuation investment* here: [www.ifminvestors.com/news-and-insights/thought-leadership/super-powering-the-energy-transition-a-policy-blueprint-to-facilitate-superannuation-investment/](http://www.ifminvestors.com/news-and-insights/thought-leadership/super-powering-the-energy-transition-a-policy-blueprint-to-facilitate-superannuation-investment/).

**Quotes attributable to IFM Investors Global Head of External Relations David Whiteley:**

*"The Federal Budget confirms that a Sustainable Aviation Fuel industry made in Australia is ready for take off."*

*"We look forward to continuing to work closely with the Albanese Government to accelerate superannuation investment in the energy transition in areas that can generate risk-adjusted returns for our clients and their millions of members."*

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**About IFM Investors**

IFM Investors was established more than 25 years ago with the aim to invest, protect and grow the long-term retirement savings of working people. Owned by a group of Australian pension funds, the organisation has approximately A\$222 billion under management as at 31 March 2024. Because IFM is owned by industry pension funds, we prioritise the interests of over 690 like-minded investors worldwide by focusing on assets that combine excellent long-term risk/reward characteristics with broad economic and social benefits to the community. As a signatory to The United Nations-supported Principles for Responsible Investment, IFM actively engages on ESG issues with the companies in which we invest with the aim of enhancing their net performance while minimising investment risk. Operating globally from offices in Melbourne, Sydney, London, Berlin, Zurich, Amsterdam, Milan, Warsaw, New York, Houston, Hong Kong, Seoul and Tokyo, IFM manages investments across infrastructure, debt, listed equities and private equity assets. For more information, visit [www.ifminvestors.com](http://www.ifminvestors.com)

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