

Media Release

IFM Investors 

ONE STEP CLOSER TO TAKE OFF: IFM WELCOMES CONSULTATION ON LOCAL LOW CARBON LIQUID FUELS INDUSTRY

Thursday 13 June

An Australian-made Sustainable Aviation Fuel (SAF) industry is one step closer following the launch of the Australian Government's Low Carbon Liquid Fuels (LCLF) Consultation paper.

IFM Investors today joined the Federal Minister for Infrastructure, Transport, Regional Development and Local Government Catherine King and agribusiness GrainCorp at GrainCorp's Carrington terminal facility in Newcastle, welcoming the paper as an important milestone in getting a local SAF industry cleared for take-off.

The consultation paper follows measures announced in the *Federal Budget 2024/25*, which included identifying LCLFs as a priority as part of the Government's Future Made in Australia agenda and highlighted fuels like SAF having a key role in the transition to net zero, offering a decarbonisation pathway for many hard-to-abate sectors, such as aviation, shipping and heavy transport.

The consultation will seek feedback on policy approaches to accelerate investment and incentivise efficient production of LCLFs through identifying the optimal policy mix, including the design of production incentives and demand-side options.

As global demand for SAF continues to rise, 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, which manages investments in major airports in Australia and globally, is partnering GrainCorp to explore the use of agricultural feedstocks to produce SAF locally to help decarbonise the aviation sector.

Millions of Australian workers are invested in airports through their industry super funds and IFM Investors and therefore have a long-term financial interest in the development of sustainable aviation.

Through this work, 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.

Industry and government working together to unlock the right policy settings will be crucial to making the most of this opportunity.

We look forward to actively contributing to the consultation process and continuing to work closely with the government to achieve policy settings which will kickstart a local SAF industry, make Australia a global leader in SAF production, and deliver long-term, risk adjusted returns for our clients and the working people they represent.

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 renewable fuels like SAF.

Super-powering the energy transition: A policy blueprint to facilitate superannuation investment is available here: 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 Asset Management, Danny Elia:

“Australia is a big country and far away from many other nations. Air travel is a necessity for many Australians and achieving sustainable air travel is a long-term priority for IFM Investors on behalf of millions of industry super fund members”

“Achieving the right policy settings will be critical to getting an Australian made Sustainable Aviation Fuel industry off the ground and this consultation process is a vital step in making long-term SAF production here in Australia a reality.”

“We welcome the opportunity to contribute to the Australian Government’s consultation as we continue to progress our work with GrainCorp, which we believe has the potential to significantly reduce the carbon footprint of hard-to-abate sectors, like aviation.”

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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 industry super funds, IFM Investors has approximately A\$222 billion under management as at 31 March 2024. IFM operates from offices in Melbourne, Sydney, London, Berlin, Zurich, Amsterdam, Milan, 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