



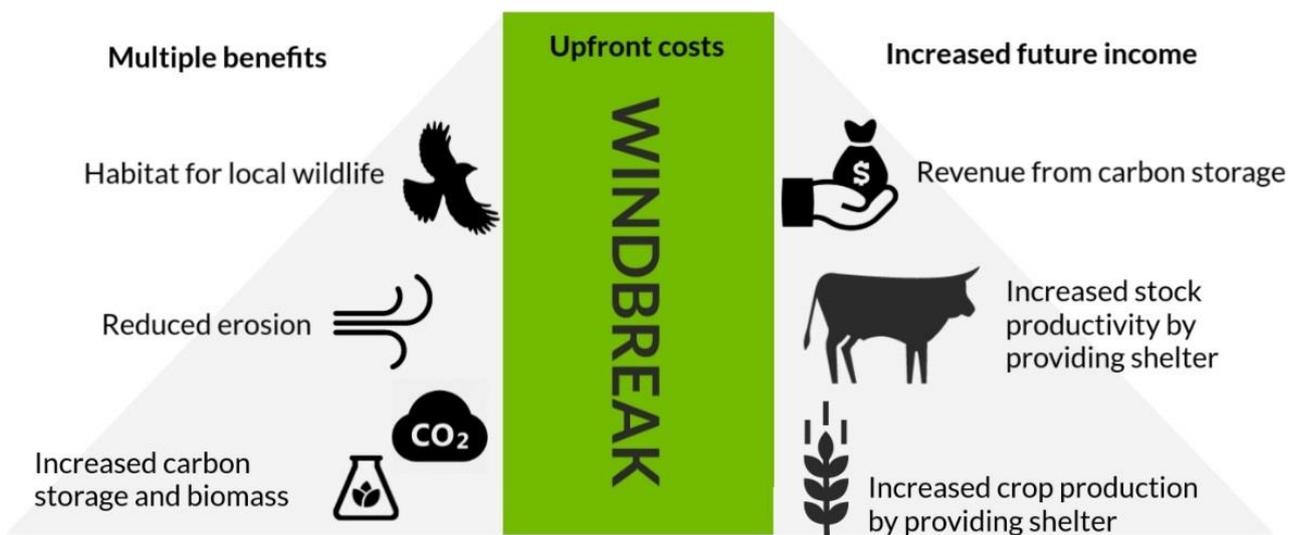
## REAPING THE REWARDS: IMPROVING FARM PROFITABILITY, REDUCING EMISSIONS AND CONSERVING NATURAL CAPITAL

### Establish a Land and Environment Investment Fund

#### How can a Land and Environment Investment Fund help deliver multiple benefits?

Farmers can take action on their land to improve their bottom lines, diversify their incomes, reduce emissions and help the broader environment (known as ‘multiple benefits’).

Windbreaks are one example of an activity that can deliver multiple benefits but to establish a windbreak a farmer needs to spend money upfront on native tree plantings. Over time, the windbreak could generate carbon credits (assuming it meets the rules of the offset scheme) and also protect stock, reducing calving losses. Banks may find it difficult, however, to assess how establishing a windbreak would affect long-term farm profits, which means it can be hard for farmers to get finance.



A new and targeted Land and Environment Investment Fund could provide better access to finance for farmers for multiple benefit projects on the land. Under one possible approach, the new Fund could partner with farmers’ banks to deliver these loans.

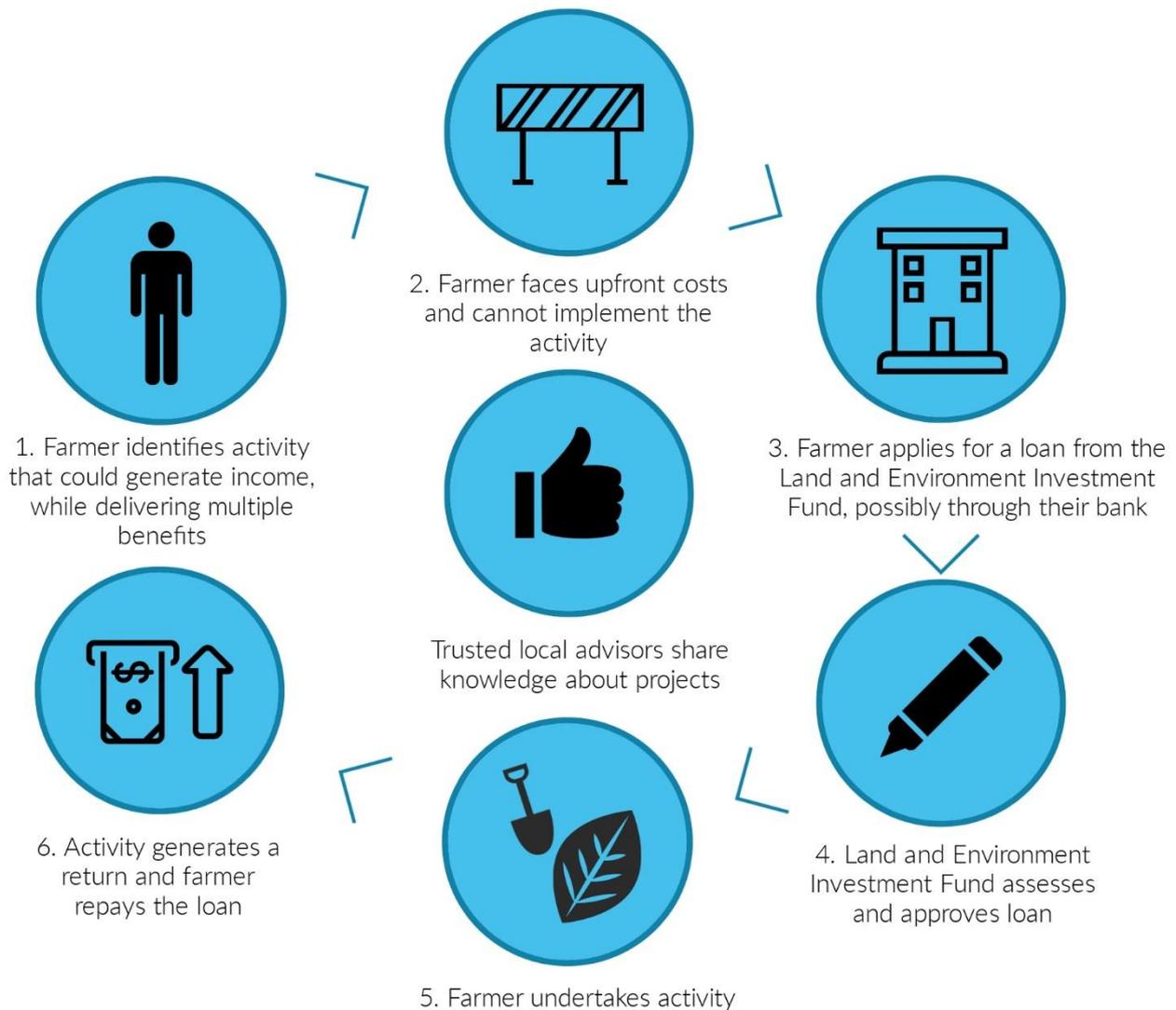
The farmer could invest in the windbreak using the loan from the Fund. As a result of the windbreak, productivity on the farm could increase and the farmer could receive carbon credits. These new economic returns could provide the farmer with the means to repay the loan and be better off overall as well as delivering other broader environmental benefits on the land.

Loans from the new Fund could also help support projects under other government funded programs such as the Emissions Reduction Fund or the National Landcare Program, provided the projects also deliver genuine, broader environmental or community benefits in the longer-term.

An outreach program to inform trusted local advisers in regional communities could let farmers know that finance from the new Fund is available and about the types of activities that could be funded.

The new Fund could also build knowledge to develop metrics and collect data to demonstrate links between on-farm environmental and financial performance. This experience could inform private finance sector lending practices in the future.

### How could it work in practice?



**Note:** The above graphic is an illustrative example of how the Fund could work. Other models are possible.

Further information can be found in the Authority's research report at [www.climatechangeauthority.gov.au](http://www.climatechangeauthority.gov.au).