IMPACT EVALUATION

FFTF Phases 1 & 2

Part 1 - Signals of Impact for Systems Change

FINAL V3 19 FEB 2025

Farming for the Future

TABLE OF CONTENTS

ACKNOWLEDGEMENTS

We are grateful for the time and insights of the people who have contributed to this report. Our sincere thanks to:

Respondents to the:

- System Stakeholder Survey
- Farm Advisor Survey
- Farmer Program Participants Survey

Key Informant Interviewees:

- Helen Crowley – Pollination (Climate Investment & Advisory Services)
- Michelle Gortan – CEO, Macdoch Foundation
- Angus Ireland – Australian Wool Innovation
- Dave Johnson - Department of Agriculture Fisheries & Forestry - Future Drought Fund
- Paul Matiazzi – Climate Change Authority
- Sue Ogilvy – FFTF Program Director
- Anthony O'Grady - CSIRO
- Keith Perkin –NRM Region Perth
- Cameron Whiteside – Westpac

And the FFTF Team members for providing project documents and other data.

EXECUTIVE SUMMARY

The Farming for the Future (FFTF) program, established by the Macdoch Foundation in 2021, has demonstrated outsized impact for the size and scale of the initiative, with clear evidence of direct and indirect contributions to systemic shifts, during its three years of operation.

Designed to address the intertwined challenges of environmental sustainability and agricultural productivity, with a strong focus on actionable insights for farmers, the FFTF program involved:

- On-farm data collection – of individual farm natural capital information and farm financial data across a range of ecological zones.
- Robust analytical research – to quantify the relationship between natural capital and farm business performance and to identify the "opportunity zone" where investment in natural capital has a positive impact on farm profitability, delivering individual and aggregated insights.
- Development of actionable insights –for each farm participating in the research program, via detailed natural capital and economic reports, to inform investment decision making.
- Translation of research insights into industry practise – diverse and innovative partnerships with industry, supply chain and the financial and investment sector, to identify industry pathways to accessing the benefits from natural capital investment.
- Building networks and engaging widely with diverse stakeholders - promoting the complementary potential of natural capital investment, in both improving farm business performance, while also contributing to nature repair and climate adaptation activities.

By positioning itself as a new type of systems actor, recognised as credible, with independence, robust research, and collaborative approach, the FFTF program has been able to attract and maintain significant interest and engagement from a diverse range of stakeholders, across sectors, disciplines and the wider system.

FFTF has shifted the way the system thinks about the relationship between farming and nature, with the research disproving the binary narrative that farming is inherently at odds with environmental health, instead framing natural capital enhancement as an opportunity for mutual benefits.

Through collaborations and coalitions of diverse stakeholders, such as partnerships with financial institutions and industry bodies, the FFTF program is contributing to shifting the way that systems operate and how effectively they support farmers.

The impacts of the FFTF program on the wider system are summarised under headings that reflect the systemic actions and roles the FFTF program has played to date:

- Establishing a new type of systems actor
- Generating and sharing new knowledge with the system
- Shifting Culture and Awareness
- Building new coalitions of diverse stakeholders

These impacts are explored in detail, including the evidence gathered through the evaluation process, in the *Evaluation Findings*.

INTRODUCTION

PURPOSE

Orange Compass was engaged to evaluate the impacts of the Farming for the Future program – Phases 1 & 2, to support strategic planning for the future of the program.

As Phase 2 of the program is not yet finalised, this evaluation is being undertaken in two parts over a period of 6 months (October 2024 – March 2025). The first part is focused on understanding the Systems Change impacts of the FFTF Program, and the second part is focused on the impacts on farmer behaviour at the individual farm level. The two parts will be brought together in the FFTF (Phases 1 & 2) Program Evaluation Report in April 2025.

Given the relatively short timeframe of the Program (>3 years) and complexity of systems change, we have primarily sought to identify signals of impact, rather than directly attributable outcomes.

Signals of impact are early-stage indicators that an initiative is moving in the right direction and is being implemented as intended – with signs that these strategies of implementation are resulting in shifts in attitudes, beliefs and ways of working.

WHAT DO WE MEAN BY "SYSTEMS CHANGE"?

When we talk about systems change, we are referring to intentionally nudging, changing, influencing and incentivising systems to work better for the people, the place and the communities we care about.

A *system is a group of parts that function as a whole. These "parts" are both tangible and intangible components with interconnections and feedback that give rise to complexity.* [1]

Often when you are dealing with systems, you are dealing with multiple scales at the same time. If we want mission-level impact it requires cumulative change. The process of change is more effective when there are mutually reinforcing actions at multiple levels, which create pressure for the next level. Not just collective impact but cumulative impact.

THE EVALUATION APPROACH

The evaluation design was developed in consultation with the FFTF team and used the program's Theory of Change to inform the key evaluation questions (and sub-key evaluation questions) to be answered through the evaluation process. In addition, we used systems change frameworks and behaviour change frameworks to inform development of our data collection approach and to guide our sense-making and analysis.

We used a "mixed methods" approach to deliver both quantitative and qualitative insights. These insights have been gathered from a range of sources, including stakeholder surveys, key informant interviews, program documentation, program consultation outputs and relevant published materials.

Detailed surveys were circulated widely to three key FFTF stakeholder groups:

- System Stakeholders - diverse actors that are active in the 'natural capital system, including financial institutions, industry supply chain actors, Ag Tech - research and development corporations, climate and sustainability organisations and state and federal government.
    - Survey was completed 12 stakeholders (15%)
- Farm Advisors – individuals and organisations who were engaged as part of the FFTF Program delivery team.
    - Survey was completed by 7 farm advisors (30%)
- Farmers – FFTF Farm Research Program participants.

[1] Cabaj, McKenzie etc Changing Systems, Power and Potential 2020

- Survey was completed by 43 Farmers (34%)

Key informant interviews were conducted with nine (9) individuals with significant expertise in their field, and awareness of the FFTF Program.

EVALUATING SIGNALS OF IMPACT FOR SYSTEMS CHANGE

As noted above, in this first part of the FFTF Program Evaluation we have focused on exploring the impacts of the FFTF program at the systems level, including the outcomes articulated in the program's Theory of Change, *what* has changed. We have also sought to understand the enabling conditions that have supported impact.

The key evaluation question guiding our exploration was:

- **How effective was the FFTF Program (Phases 1 & 2) in creating the enabling conditions for systemic change?**

And the sub-evaluation questions included:

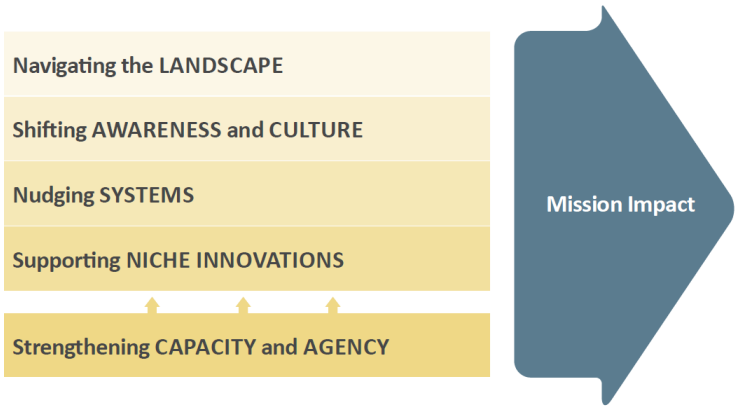
- To what extent has the FFTF Program (Phases 1 & 2) influenced the systemic conditions to enable acceleration of the adoption of natural capital opportunities by diverse system stakeholders (FFTF outcome)?
- To what extent has the FFTF Program (Phases 1 & 2) influenced the systemic conditions to enable activation of the system to support producers to measure, manage and invest in natural capital as a factor of production (FFTF objective)?

To inform our analysis and evaluation, our method has referenced approaches to evaluating systems change from Mark Cabaj of Here to There Consulting, in particular the *Multi-level framework on systems change;* as well as our own Orange Compass Leverage Points Tree.

Cabaj suggests that, to evaluate systems change impacts, we need to ask:

- *Are we changing drivers (or leverage points or conditions)?*
- *Are those changes in drivers resulting in any behaviour change?*
- *Is anyone doing anything differently?*
- *And are enough actors behaving differently in a way that results in a significant pattern change?*
- *Has the system shifted or tilted enough to create a new pattern?* [2]

We have also considered the *Multi-level framework on systems change* for its focus on different scales and levels of change in the system required for mission impact.



Source: Here to There Consulting Inc

[2] Cabaj et al

THE FFTF PROGRAM

Farming for the Future was established by the Macdoch Foundation in 2021, as a program to deliver public good, interdisciplinary research and change activation. The foundational element of the program was the development of the first national-scale evidence base that demonstrated the relationship between natural capital and farm business performance.

The program was established as a response to the dual pressures of a growing urgency for agriculture to play an active role as a nature-based solution to climate and biodiversity loss for Australia, while continuing to produce high quality food and fibre; and the demands for farmers to be able to respond to the challenges of increasingly rigorous environmental sustainability accounting requirements from export markets.

Systems thinking has underpinned the FFTF program, with the program defining natural capital in agriculture as *the biological, ecological and physical assets in relationship to each other*, by definition, a complex adaptive system.

The FFTF program was co-designed and delivered with diverse system actors, as a cross-disciplinary, cross-industry collaboration for collective impact. The program aims to build capability and catalyse shifts in behaviour at multiple scales and layers and scales of systems, from individual farmers to industry sectors – as such, the FFTF program was designed as a multi-level systems change initiative.

EVALUATION FINDINGS

Below we present the findings from our data collection and analysis, noting that we make our evaluative judgements based on the data available to us. We sought to gather data from a wide but targeted range of sources (those who had engaged in some form with the program) and acknowledge that the data we have is not be fully representative of all views or experiences. However, we have also used neutral data sources to calibrate our findings.

Holding Cabaj's systems change evaluation questions as a guide:

- Are we changing drivers (or leverage points or conditions)?
- Are those changes in drivers resulting in any behaviour change? Is anyone doing anything differently?
- And are enough actors behaving differently in a way that results in a significant pattern change? Has the system shifted or tilted enough to create a new pattern? [3]

SIGNALS OF IMPACT FOR SYSTEMS CHANGE

Our findings indicate that overall, the program has had remarkable early impacts, both contributing to and catalysing systems shifts; despite the relatively short timeframe that the FFTF program has been operating,

Below, we have summarised the systems impacts most clearly indicated, under headings reflecting the systemic actions and key roles played by the FFTF program.

- Establishing FFTF as a new type of systems leader
- Generating and sharing new knowledge with the system
- Shifting awareness and culture – starting new conversations and challenging existing narratives
- Building new coalitions of diverse systems stakeholders to solve a shared problem
- Nudging systems and practice

A NEW TYPE OF SYSTEMS ACTOR

FFTF's ability to influence systems change was enabled by its independence and neutrality in a highly competitive and contested space. From inception the program's philanthropic support, purpose for public good, independence from government and commercial interests, and genuine commitment to farmers, positioned it well to take up a systems leadership role that could engage stakeholders across industries, and interest groups.

> ***"FFTF is seen as neutral, not looking for a pre-determined outcome and not political"***

The program design which included an unusual combination of functions and roles, established FFTF as a new type of system actor, a hybrid of many other types of actors in one. A research body, research translator, collaborator, capability-builder, awareness-raiser, coalition-builder, industry partner and system-disrupter – working to solve a problem shared by many.

> ***"FFTF have seen the need, the writing on the wall that these things are coming. It's not just all carbon; nature and biodiversity are now coming as well, and they are proactive in wanting to help the industry"***

> ***"FFTF is ahead of the curve – and the benchmarking that this could lead to is phenomenal"***

The robustness and quality of the research design and methods was integral to establishing the program as a credible, independent and trusted systems leader. The program's commitment to sharing the research

[3] Cabaj et al

findings and methods, and collaborative approach to working with diverse stakeholders, has captured a wide audience and capacity to influence the wider system.

> ***"Its impact is only just starting. It's just the beginning; they've laid the groundwork now for leveraging systems change with the work they've done".***

> ***"Natural capital is having its moment and FFTF is the forerunner in those conversations, in Europe, UK and Australia".***

> ***"The project has raised the profile of natural capital in Australia to a level, I think that the world looks on and Australia's actually a leader globally. I've just came back from Italy and everyone's going – what the hell is going on in Australia?".***

There have been high levels of interest in and engagement with the program across Australia since it began in 2021.

- The initial program co-design sessions attracted 80 participants to each session.
- The project received almost 300 Expressions of Interest from farmers keen to participate in the on-farm research – almost double the amount required
- High levels of interest from diverse audiences have been seen through the numbers of participants in FFTF webinars (450), invitations to the FFTF team to speak at events and conferences which resulted in 34 appearances, reaching more than 3300 people.
- FFTF website data reflects high levels of interest in the program (data from October 2024), with 7,900 visits to the Home page, 2300 views of the About Us page, 1,300 views of Research page and 913 views of Resources page. And 548 downloads of the MLA Research Report in the 5 months (June – October 2024).
- The FFTF LinkedIn page has over 2,500 followers and 18,201 unique views.

The FFTF team has had access to systems stakeholders at all levels across industry, government and internationally, both through their role as research and knowledge generators, and through the partnerships developed during the three years of operation.

There has been interest from key federal government areas, and multiple state governments and peak bodies are using the FFTF work in their advocacy with government.

> ***"We use the FFTF research to inform our policy advice for government, as there is so little data available about natural capital on farms".***

There is ongoing interest from governments in the program's work, however, direct action or support appears to be hindered by the usual government complexities of siloed responsibilities and lack of co-ordinated policy development. There is also a desire for evidence of impact on behaviour at the farm level which may create the catalyst for increased government engagement:

> ***"Understanding the action that [****the evidence****] creates is what will grab governments' attention".***

GENERATING & SHARING NEW KNOWLEDGE WITH THE SYSTEM

It is both the generation of new knowledge for the system through the research and translation of the findings into actionable insights, combined with the communications and capability building about what it means for farm management practices, investment and production that has catalysed systems shifts.

The FFTF research program and its results are described by system actors in superlatives:

> ***"Huge; Smashed it out of the park; Incredible; Definitive; Insanely important; Watershed moment; Game changing; Win: Win; Critically Important; Results need to be trumpeted"***

QUANTIFYING THE UNQUANTIFABLE – DELIVERING PROOF FOR THE SYSTEM

The unprecedented scale and significance of the research is regarded by system stakeholders as a remarkable achievement.

> ***"This work has been done better than anyone before, it hasn't been done anywhere else".***
>
> ***"Surprised they pulled it off – didn't think it could be done".***
>
> ***"I didn't know if it could be done, to be honest. The fact that they pulled it off is just incredible really".***
>
> ***"It was fundamentally the right question to ask".***
>
> ***"This is critically important work – I have quoted the research to over 30 stakeholders".***

The robustness of the research methodology with authentic farming representation has enhanced the credibility and impact of the program.

> ***"Signals to industry: data precision – decisive, robust, valid".***
>
> ***"It had a robust scientific approach and has leverage to work in systems and networks".***
>
> ***"Robust independent measures".***
>
> ***"Design elements are replicable".***

The definitiveness of the program's research results in *quantifying the unquantifiable* and demonstrating the linkages between natural capital and farm productivity and profitability, delivered new knowledge for the system. There are strong indications that it has had caused ripples of change in the system.

> ***"Provided proof for the system".***
>
> ***"Provided the evidence, framework for measuring and case studies on how".***
>
> ***"As an impact investor the solutions are tangible: ecological system, adaptation resilience, motivation".***
>
> ***"A real watershed moment where you actually prove this profitability and productivity link to not just water or planting a few trees, but an actual uplift in the stock of functionality of nature. It's insanely important".***
>
> ***"Common language to connect the natural capital on farms to economic performance is huge!"***
>
> ***"Ecstatic that there is this clarity – It is such a clear message ... it's a definitive piece of work".***

NATURAL CAPITAL AS A FACTOR OF PRODUCTION – ACTIONABLE INSIGHTS

By demonstrating that it is possible to quantify natural capital as a factor of production (i.e. that the natural capital - ecosystems and natural infrastructure on a farm contribute to production) the program has unlocked new possibilities and shifts in thinking and practice at various layers of the system. (Noting that this report is not focused on evaluating changes at the individual farm level).

For system stakeholders, the program has provided clarity and impact on their practice.

> ***"The program has been very useful in helping us create a clearer narrative about the links between nature, carbon sequestration and farm practice".***
>
> ***"The correlation between natural capital and farm resilience as well as profitability has been built into our narrative when talking with members, the broader public and when designing future projects".***
>
> ***"Moving to seeing natural capital as core business – perceiving data as an enabler and natural capital as part of productivity and profitability, and a pathway to the regeneration of business and land".***

- 79% of farmers surveyed have used the results of their *On-farm Natural Capital Report* to talk with external audiences, including Banks/Investors, Supply chain and Agriculture networks
- 100% of Farm Advisors surveyed think that measuring the value of natural capital will be an important aspect of farm advisory work into the future.
- 86% of Farm Advisors surveyed are talking about natural capital as a factor of production with up to half their clients.

Along with feedback about what has changed already, stakeholders shared views about what is likely to change as a result of the research.

> ***"Farmers / land managers are confused by all the marketing (mainly by vested interests) around carbon and biodiversity markets. However, if farmers are driven by carbon and biodiversity market dollars, they are highly likely to have a poor outcome for their farm business. Natural capital accounting allows them to better measure the natural capital they depend on to run a farming business – soil, water and natural ecosystems – and to make more informed choices around the practices that impact those dependencies, and the true value of ecosystem services they create or erode through their practices".***
>
> ***"To point out that there is quite a lot of scope to improve natural capital without a hit to productivity, that's a pretty important piece of understanding, particularly as things like the nature repair market ramp up and farmers may have a bit more confidence to be able to invest in improving natural capital, in the knowledge that it's not likely to impact on their productivity".***
>
> ***"That is the information required to make business decisions".***

And for some – they are poised and ready to make changes when a larger sample size is available:

> ***"We are waiting for a larger sample size prior to updating risk policies and procedures".***
>
> ***"I'm now hanging for the next piece of research to come down that will hopefully push even further, so we've got more confidence to build that into our risk profiling as well as".***
>
> ***"We've got what 4500 farming customers; we want to be able to roll things out at scale".***

SHIFTING CULTURE & AWARENESS

Since the release of the initial research findings in September 2023, followed by the release of the MLA Research Report in May 2024, there is evidence that conversations about natural capital as a factor of production have changed significantly, indicating systems impacts.

There is consistent feedback from systems stakeholders that the research results have both changed the nature of existing conversations (particularly the narrative that farming is bad for nature and nature is bad for farming) and has been the catalyst for many new conversations between different actors, within and across sectors.

As noted throughout this report, evidence suggests that both the content and quantum of conversations about natural capital as a factor of production have changed across the system, from individual farmers to international industry levels, with the FFTF research as the catalyst.

STARTING NEW CONVERSATIONS

The FFTF program research findings have been a powerful impetus for shifting conversations across the system. Key informant interviewees told us that one the biggest impacts of the FFTF program was as a catalyst for new conversations across the system.

> ***"At that point in time, in 2019, natural capital really didn't exist in the farming landscape, even as a conversation".***
>
> ***"Starting conversations. Because without even that research piece of showing, nature equals on farm performance, it's all theoretical. It's all conceptual. Now there is at least one piece of research that is able to draw those two together".***
>
> ***"It has been a valuable conversation starter. Previously linking natural capital and on farm performance was very theoretical. This pilot has been able to provide practical examples".***
>
> ***"Started conversations, launched conversations".***
>
> ***"Impact on system was huge, on farmers and the link to carbon - which is now tactile. FFTF had an impact by talking about this to the system".***
>
> ***"The business case narrative is used to silo nature / sustainability / biodiversity, but now it's in one. Accounting for these in stocks and flows of services is game changing"***
>
> ***"They raised the awareness of natural capital, that it isn't all about carbon, it needs to be a package that only one outcome is not enough".***

And sector stakeholders report having new conversations with colleagues and clients

> ***"We have discussed the FFTF methodology and program with several in region partners as a key program that is piloting farm scale natural capital accounting".***
>
> ***"I have discussed with many others in both government departments and within agriculture industry groups".***
>
> ***"Farmers are seeing their farms as their own system that can be leveraged as part of the solution, not the problem".***

91% of sector stakeholders surveyed report that they are regularly having conversations about FFTF's research findings with colleagues, clients or other stakeholders.

CHALLENGING EXISTING NARRATIVES

From a systems change perspective, shifting narratives and mental models is the most transformative scale of systems change[4]. Historically, there has been an entrenched conflict between the views of those with environmental priorities and those who are focused on primary production and farmer interests, based on firmly held beliefs that there existed a real binary – i.e. that regenerative / nature positive farming practices are bad for productivity and profitability, and that farming is bad for nature and the environment.

The FFTF research and its translation has provided robust evidence to disprove this binary narrative, and through the communications and promotion of the research findings and conversations across many sectors, the systems are shifting.

Below are quotes from interviewees and systems stakeholders, this is a clear theme from stakeholders – things have really shifted.

> ***"Data and science behind how attention to natural capital on farm can provide for production and co-benefits. It assists in building the narrative of demonstrating and driving adoption of sustainable ag practices."***
>
> ***"The FFTF program has shown that natural capital farmers' role is positive not a negative (which is the usual narrative)".***
>
> ***"The FFTF program has raised profile of natural capital at Australian and international levels and has played a significant role in this in two ways: Systems change and showing that nature is good for productivity".***
>
> ***"It challenges the cynicism about natural capital in industry – that profitable = less intensive"***
>
> ***"Challenged the myths that production is low in regenerative systems. Thes results need to be trumpeted, it's a watershed moment".***
>
> ***"It's broken down traditional, fundamental knowledge systems in farming that you can't have both (nature and production) that you can only have on".***

The full potential impact of this type of shift will take some time to be seen, however, it might be expected that shifts at this most transformational level (narratives and mental models) will cause ripples effects across the whole system.

[4] Kania J, Kramer M, Senge P, The Water of Systems Change 2018

BUILDING NEW COALITIONS OF DIVERSE STAKEHOLDERS

From the outset, it was recognised that collaboration, innovation and a strong focus on stakeholder engagement was central to achieving the objectives of the FFTF program. The dual focus on environment and primary production created wider engagement from across sectors, than either issue can do on alone. By building new coalitions across the system, with stakeholders keen to use the FFTF research to inform changes to the ways systems operate, the program has contributed to "nudging systems".

BRINGING TOGETHER PHILANTHROPY, AGRICULTURE & RESEARCH

Macdoch Foundation's philanthropic investment in the agricultural sector was unusual and their establishment of the Farming for the Future program, signalled a new approach to tackling agricultural and environmental challenges, by bringing together diverse stakeholders around shared challenges and to find solutions, particularly enabling farmers to measure, manage, and report on natural capital as a factor of production.

In addition to securing co-funding from a number of individual philanthropists and family foundations, Macdoch Foundation secured funding for the first phases of the FFTF program via a broad network of supporters, with major program funding coming from key industry players including Meat & Livestock Australia (MLA) and Australian Wool Innovation (AWI). The program also engaged the National Farmers Federation (NFF) as a key delivery partner. The membership bases of these three organisations alone cover the majority of primary producers in Australia, with MLA and AWI having more than 100,000 members between them and the NFF having and even wider membership base, through state and territory based peak bodies and specific growers' peaks.

BROAD & INCLUSIVE ENGAGEMENT

Throughout this first three years, the FFTF team has maintained a high level of stakeholder engagement and relationship management, across a broad audience, which has built the profile and maintained support and engagement with the program.

> ***"FFTF's biggest impact has been as an independent voice across a number of forums, and they have kept on keeping stakeholders engaged"***

In August 2024, FFTF invited system stakeholders to contribute to their strategic planning processes. Two online workshops were held, attracting more than 90 participants from a range of sectors – farm advisors, insurers, investors, research institutions, all strongly engaged in what happens from here.

PURPOSEFUL PARTNERSHIPS

Over time, FFTF has developed significant partnerships across philanthropy, Government, aligned research organisations, investors and primary production peak bodies, in effect, pulling together all different parts of the agricultural sector, to shift systems by incorporating measurement of farm level natural capital to meet the emerging challenges.

Current partnerships include:

Meat & Livestock Association
MLA has been a project co-sponsor and partner in the design and development of the FFTF program. As a key industry body, they brought farmer and supply chain experience to the project governance. MLA's rigour throughout the project design ensured that gaps were addressed, additional opportunities were identified, and that ultimately the project design was more robust and positioned to meet its objectives.

Australian Wool Innovation

AWI has been a key partner and supporter of FFTF since the beginning. AWI who is funded by the 60,000 Australian wool producers, recognised the significance to the FFTF research or the wool industry. AWI has been an early adopter, using the FFTF metrics to guide their "Nature Positive Farming specification" for wool, which is currently being piloted with at least two wool certification businesses with support from large fashion brands. Leading brands including Kering, Hugo Boss, Authentico and New Zealand Merino and the Textile Exchange are following its lead.

Australian Sustainable Finance Institute (ASFI) - Valuing Natural Capital initiative

In 2023, Australian Sustainable Finance Institute (ASFI) and FFTF partnered on the *Valuing Natural Capital* initiative (VNC), bringing together Australia's agricultural producers and financial institutions to better integrate natural capital into financial decision making. Now, through ASFI's *Sustainable Finance Road Map,* the VNC is working to equip financial institutions and agricultural businesses with the tools to incorporate natural capital into financial decision making.

The VNC initiative includes seven banks who collectively represent the majority of all lending to agriculture in Australia. ANZ, Bendigo Bank, Commonwealth Bank, NAB, Westpac, Rabobank, Suncorp. In addition, the group includes five major asset owners - Clean Energy Finance Corporation (CEFC), Mercer, New Forests, National Queensland Investment Corporation (QIC), and Rest Super.

Individual Financial Institutions

National Australia Bank, ANZ and Commonwealth Bank are partnering with FFTF and explicitly referred to their support for the FFTF program in their 2024 Annual Reporting.

NAB's draft report says:

> *NAB was a proud research partner, recognising the importance of supporting farming customers with the knowledge and resources necessary to make informed and strategic decisions about their natural capital investments to achieve greater productivity and profitability.*

Partnerships supporting the expansion of the FFTF research data sets

- Commonwealth Bank
- QLD Government
- Philanthropic Foundations x 7
  - Macdoch Foundation
  - Yulgibar Foundation
  - Rebecca Gorman
  - Morris Family Foundation
  - William Buckland Foundation
  - Liberman Krasnostein
  - Maple Brown Family
- The SmartSat Cooperative Research Centre - is investing in leveraging remote sensing technology for expanded data collection capability.

LEARNINGS ABOUT SYSTEMS CHANGE

The adaptive nature of systems means that there is always an element of chance about when or how systems change will occur. In particular, the timing of when something will become the "right thing, in the right place, at the right time" to be the catalyst for change.

The clear signals of system change impacts by the FFTF program that emerged through the evaluation process, prompted us to consider the following questions:

- What factors enabled the FFTF program to make such significant systems impacts, in such a relatively short space of time?
- What might we learn from the FFTF program for other systems change efforts?
- What (if any) of the enablers are replicable?

ENABLERS OF SYSTEMS CHANGE

Through consideration of these questions, we identified two key factors that enabled the FFTF program to have systems change impacts: the existing conditions in the systems landscape; and the FFTF program design (including delivery).

From these two enabling factors, we found insights about signals of readiness in the wider systems landscape that it was the "right time"; and design elements that contributed to the FFTF program being the "right thing" in the "right place" to influence systems change.

THE EXISTING SYSTEMS LANDSCAPE

The broader systems landscape into which the FFTF program launched, appears to have been fertile ground for a different approach to tackling the increasingly urgent challenges of climate change, environmental degradation and primary producers' ability to respond to changing market conditions.

Within that landscape were diverse stakeholders across different sectors, who shared a strong interest in finding long-term and systemic solutions to the increasing challenges and pressures. Government and policy makers were (and remain) slow to recognise and respond to the emerging challenges, and when they do, it is in a predictably "siloed" way, addressing carbon or biodiversity as separate issues from separate siloes, not recognising farm as ecosystems.

The FFTF program entered the systems landscape as a new systems actor – a "hybrid actor". Part research institution, think tank, intermediary, convenor and advocate, the FFTF program, research and translation has delivered new knowledge, and practical and actionable insights to enable farmers and the sector to respond the emerging challenges.

The broader systems landscape had a degree of "readiness" for a different approach and willingness to engage with a different type of system actor. These conditions are not "replicable" by design but may emerge and watching for these shifts in the landscape may support other systems change efforts to find their "right time" to act.

THE FFTF PROGRAM DESIGN

As noted above, the inclusive and collaborative process of the FFTF program co-design resulted in the design of a multi-level systems change initiative, with core elements of the program's design (including delivery) being enablers for systemic impact.

Key design elements:

Farmer-driven: Inputs from diverse sources, (including Macdoch Foundation's insistence on practical and actionable research that would be useful for farmers as key priority) established the program as more than

just a research project. Ongoing engagement with industry and cross-disciplinary experts also supported delivery of actionable insights for farmers.

Neutrality and Independence: Being initiated by and housed within a philanthropic foundation provided the FFTF program with neutrality and independence, allowing for calculated risks, rapid progress, and breakthroughs unattainable by others. The program was not beholden to vested interests, nor was it restricted by the constraints faced by government, industry or representative bodies, which enabled it to freely negotiate, partner and enter into agreements with other research institutions and various industry groups.

Public Good Focus: As a "public good" project working to address shared challenges, the program attracted diverse interest and support. With no commercial interest in the outcomes nor intent to commercialise the findings, the program was open and transparent in sharing the research findings, methods, and insights widely, for the benefit of all.

Access to Expertise: The program was well-resourced, with quality staff, and access to industry experts and consultants, including through the program's governance arrangements. The program's governance structures protected the credibility of the research and findings, (particularly the Research Adoption and Advisory Committee (RAAC) see below).

Feedback Loops: Ongoing engagement with industry and cross-disciplinary experts in agricultural economics, ecology, and data systems provided feedback and input to the program design, ensuring a strong theoretical and methodological foundation and industry relevance.

Robust, credible and peer reviewed research: The Research Adoption and Advisory Committee (RAAC), comprised of natural capital/ecological experts (ANU, CSIRO), industry insights (MLA, AWI, NSW DPI), agricultural statistics (ABS), and a leading producer, and chaired by the NFF; provided important feedback regarding project design and the use of the research findings. The group's experience in other projects was invaluable in guiding the approach to generating actionable insights for the industry.

An intentional "behavioural change" approach – the project design reflected the focus on actionable insights and enabling change, with the adoption of the ADKAR model for behaviour change to guide design and engagement. This approach was informed by insights from the initial co-design process about motivators for behaviour change at the farmer level.

Trusted Intermediaries: The program used Farm Advisors as trusted intermediaries, to be the key contacts for farmer participants in the research, as they already had relationships with farmers, industry knowledge and advisory skills.

Eight farm advisory services delivered engagement activities, integrating natural capital into existing drought-planning, training, investment, and other advisory services to increase awareness of how natural capital supports farm performance.

Networks: In addition to Farm Advisors, the program also tapped into a broader network, including Bush Heritage Australia and other NRMs with country-wide expertise, to provide advice tailored to local context, that would provide with the knowledge and ability to improve on-farm natural capital.

Key Industry Bodies: The program was supported by academics (La Trobe University, CSIRO) and key industry bodies (National Farmers Federation, Meat & Livestock Australia, and Australian Wool Innovation), all of whom reinforced the ongoing benefits of change through high-level communications, that help shift industry norms.

Focus on communication and promotion: From the outset, the FFTF team were encouraged to promote the program's vision and purpose and to engage diverse audiences. This included both awareness raising

through speaking engagements and conference presentations, as well as capability-building with many stakeholders across sectors, to understand the research and its implications.

As has been noted numerous times in this report, the design (and delivery) of the FFTF program was key to its success, and its capacity to influence shifts in the system. Many of the individual design elements discussed above are replicable. However, it is the combination that is unusual, and that enabled FFTF to establish itself as a new type of systems change leader.

The existing systems landscape conditions made it the “right” time while the FFTF program design elements made it the “right” approach, in the “right” place.