

# Place Based Capital Program (Proof of Concept Phase)



## Project Plan & Approach

### Background

Local places have individuals and organisations from local government, business, industry and community eager to make a difference in their region. They report that there are strong development and investment opportunities in their local area. To realise these opportunities, they require sources of funding and capital that are readily available, flexible, and supportive of local aspirations, opportunities, needs and challenges – **place based capital**. Beyond capital, they also desire more engagement, control and influence over local investment, development and economic activity. They desire opportunities for all members of the community to participate, coinvest and share in the risks and returns of local economic and community development. Ultimately, they would like to ensure the benefits of this activity flow back into the hands of local people and organisations. Whilst the existing funding and financial system services many areas, there are gaps and challenges with these options. Local places and organisations that have considered and attempted to set up local capital and investment structures alone, have encountered barriers with capability, capacity, funding and resources.

A range of place based capital and local finance and investment solutions are available. This program will learn and build on tried and tested solutions from Australia, the UK, US and other countries. The program builds on these examples, but is uniquely innovative in its desired scale, ambition and impact in Australia.

### Aims

The aims of the Place Based Capital Program are to create:

- place based capital,
- a financial system and vehicle that supports place based capital and locally-led, owned and inclusive development, investment, returns and impact,
- a national network and vehicle to utilise collaboration, aggregation and/or mutualisation with local places across Australia to achieve economies of scale and access to larger forms of capital.

These aims are described in more detail below.

#### A. Place Based Capital

Place-based capital is capital that is aligned to place, where place could be considered a community, neighbourhood, local government area, town or region. It may be either capital that is owned or managed by local people and organisations which are inherently aligned to place such as local businesses and council; or capital from sources outside the region that are

otherwise aligned to place, such as federal/state government and impact investors seeking to contribute to local outcomes. Place-based capital is aligned to and respectful of the vision, opportunities and challenges of local places and people. It provides more flexibility and addresses the local infrastructure and investment opportunities not being serviced by current financial systems. It is a source of capital to fund place-based, impactful projects that will benefit local regions and communities across Australia.

### **B. A financial system and vehicle that supports place based capital and locally-led, owned and inclusive development, investment, returns and impact**

A financial system and investment vehicle focused on local economic and community development opportunities. This vehicle would be directed by the priorities of local stakeholders, and provide a mechanism for local people and organisations to invest in their region and attract co-investment from outside the region. It would increase local ownership, control, influence and returns; leading to greater local self-sufficiency, resilience and prosperity. An example of this is a **local impact fund** - a self-sustaining, locally owned and managed investment fund that holds, manages and invests money in assets, ventures and/or infrastructure at a local scale. Such a fund can attract and aggregate other forms of capital to co-invest in regions and act as a catalyst for growing the local economy.

### **C. A national network and vehicle to utilise collaboration, aggregation and/or mutualisation with local places across Australia to achieve economies of scale and access to larger forms of capital**

Aggregation, cooperation and mutualisation between local places and funds to create a national place-based capital system and structure. This national vehicle will optimise the outcomes for local places and their local finance and investment vehicles, achieve economies of scale and provide access to larger forms of capital. An example of this is a network of local impact funds across Australia supported by a democratically governed and collectively owned national enterprise whose role is to support individual local impact funds – **local impact fund mutual**.

## **Objectives**

The Place Based Capital Program (Proof-of-Concept Phase) is a step towards this aim. The objectives of this phase of the program are to:

1. Create the **Place Based Capital Community of Practice** - a community of practice and working group of representatives from local places and organisations across Australia and other key stakeholders.
2. Build knowledge and capability in key areas including community wealth building; investing and managed funds; and cooperative and aggregation benefits and structures.
3. Build local and collective understanding of:
  - a. local capital needs, challenges, opportunities and how these relate to other regions;
  - b. aggregation & cooperation needs, challenges, opportunities and how these relate to other regions
  - c. setting up and running a local and national investment vehicle such as governance, managerial, regulatory, technical and operational matters.

4. Identify, design, test and evaluate a number of solutions to create a sustainable and reliable source of place based capital, local investment and financing vehicles and a national structure to provide economies of scale (including but not limited to the local impact fund & local impact fund mutual examples provided above).
5. Engage with, learn from and test the solutions with key stakeholders, such as potential community, government, NGO and private investors and partners.
6. Create a concept design of the preferred and most viable model that is ready for prototyping and commercialisation.

By this point, and having worked together through this process, the community of practice can be confident they have a ready to build solution, effective partnership, mandate and the collective ability to engage the stakeholders and resources required to establish place based capital in their regions.

## **Who should participate?**

Organisations that are accountable, responsible or interested in improving local or regional economic and community development outcomes, such as local government, local or regional development agencies, local industry and business, NGOs and other government and NGOs.

## **Approach**

The program adopts a collaborative & codesign approach with a group of participating local regions and organisations. This is to ensure the principles of local ownership, leadership and wealth building are embedded from start to end, and the program meets specific local needs and challenges.

A local region could reflect a local community, local government area, town, city or wider regional area. Each of the participating regions and organisation will nominate 1 - 2 representatives to participate in the program activities. These representatives will liaise with stakeholders from their local region to gather information to inform the program and report back to these stakeholders about the developments, findings and outcomes from the program. Representatives could come from local councils, development agencies, community organisations, business, non-government organisations or just passionate individuals from your community. Representatives will need to commit approximately 30 hours over 8 months.

Ethical Fields will facilitate the group through a structured process as per the program approach in Appendix A. Ethical Fields is responsible for program management and delivery of the full program. The Yunus Centre is the Lead Learning Partner and will walk alongside us ensuring design and delivery achieve the learning goals defined, and feeding back into the group so we learn and evolve as we go. Other key stakeholders such as government, investors and entrepreneurs will participate in the program as per the program approach.

Regional representatives will participate in initial onboarding and capacity building activities and workshops to ensure local representatives possess the foundational knowledge necessary to confidently and effectively engage with the program. Ethical Fields will facilitate a series of workshops, exercises, research and analysis that will co-define common and local place-based capital needs, challenges and opportunities and the role and opportunity of aggregation and cooperation. This will include working with other stakeholders to identify and gain an understanding of the needs and challenges they face when engaging with local development and investment opportunities.

These insights will inform the design and development of several solutions that best meet the needs identified, leverage the opportunities and minimise the challenges across regions. Together, representatives will evaluate the technical viability and commercial feasibility of these solutions, drawing on legal, financial and other expertise. Potential solutions will be evaluated, with a preferred model chosen if the option is deemed viable.

With concept viability and feasibility confirmed, the preferred solution will be ready for prototyping and commercialisation, which forms the basis of Phase 2 (not included in this Program). Parties interested in moving to Phase 2 will create a next steps plan to move to this next phase of prototyping and commercialisation.

Refer to the detailed program approach in Appendix A for more information about the program outcomes, activities and outputs.

## Benefits

In addition to outputs and outcomes received, the program delivers significant value for your investment and enables your local region to:

- Develop valuable relationships and a community of practice with like-minded places, regions and peers to support your journey
- Learn more and achieve more together than you could alone
- Receive the outcomes and outputs for a fraction of the total cost
- Be in a stronger position to move forward with your place based capital goals.

## Fees

The fee for program participation is based on capacity and we have provided a guide below:

|                                                          |                      |
|----------------------------------------------------------|----------------------|
| Local government areas or regions with pop. over 50,000  | \$20,000 (excl. GST) |
| Local government areas or regions with pop. under 50,000 | \$15,000 (excl. GST) |

Where the fee is cost prohibitive, please contact Ethical Fields to discuss alternative options. We hope to offer part-payments and scholarships through match funding

By negotiation

## For more information

Contact:

Meaghan Burkett  
Director, Ethical Fields  
[meaghan@ethicalfields.com](mailto:meaghan@ethicalfields.com)  
0407 024 036



## Place Based Capital Program (Proof of Concept Phase)

### Appendix A - Approach

| Stage #    | Stage 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Stage 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                          | Stage 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                             | Stage 4                                                                                                                                                                                                                                                                                                                                                                                                                             |
|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Stage Name | Onboarding & Capability Building                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Discovery                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                          | Concept Design & Evaluation                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                             | Next Steps                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Part name  | Project Inception & Region Onboarding/Preparation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Capability Building for Local Representatives                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Place-based Capital Needs, Challenges & Opportunities                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Aggregation & Cooperation Needs, Challenges & Opportunities                                                                                                                                                                                                                                                                                                                                                                                                                                    | Investor Needs, Challenges & Opportunities                                                                                                                                                                                                                                                                                                                                                                               | Concept Model Option Identification & Design                                                                                                                                                                                                                                                                                                                                                                                                                                | Concept Model Evaluation & Selection                                                                                                                                                                                                                                                                                                                                                                                        | Next Steps Plan                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Objective  | Onboard and prepare all regions and participants                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Build participant foundational knowledge in key program concepts - community wealth building, investing and find management, mutuals)                                                                                                                                                                                                                                                                                                                                                                                | Co-define the common and place-based capital and investment needs, challenges and opportunities                                                                                                                                                                                                                                                                                                                                                                                                                  | Co-define the common and place-based aggregation and cooperation needs, challenges and opportunities                                                                                                                                                                                                                                                                                                                                                                                           | Identify and understand potential investor needs, challenges and opportunities                                                                                                                                                                                                                                                                                                                                           | Develop a select number of concept models that best meet needs, leverage opportunities and minimise the challenges identified in Stage 2                                                                                                                                                                                                                                                                                                                                    | Evaluate technical viability and commercial feasibility of the options developed in Stage 4 and select the preferred option                                                                                                                                                                                                                                                                                                 | Confirm interest from regions to progress and develop next steps plan                                                                                                                                                                                                                                                                                                                                                               |
| Outcomes   | Regions & their local representatives understand the process, their role, expectations and have access to program resources & technology                                                                                                                                                                                                                                                                                                                                                                                                                    | Local representatives possess foundational knowledge about community wealth building, investment and funds to confidently and effectively engage in the program                                                                                                                                                                                                                                                                                                                                                      | Clear understanding of place-based capital needs, challenges, opportunities and existing approaches in a form that will inform stage 3                                                                                                                                                                                                                                                                                                                                                                           | Clear understanding of aggregation & cooperation needs, challenges, opportunities and existing approaches in a form that will inform stage 3                                                                                                                                                                                                                                                                                                                                                   | Clear understanding of potential investor needs, challenges and opportunities with engaging with local funds models in a form that will inform stage 3                                                                                                                                                                                                                                                                   | Select number of design options for a network of local funds supported by aggregation and/or mutualisation solutions ready for evaluation.                                                                                                                                                                                                                                                                                                                                  | Option evaluation informs concept viability, feasibility and option preference selection                                                                                                                                                                                                                                                                                                                                    | Agreement and plan for next steps (depending on viability/feasibility outcome)                                                                                                                                                                                                                                                                                                                                                      |
| Activities | <ol style="list-style-type: none"> <li>1. Develop program schedule and information pack</li> <li>2. Liaise with regions to confirm local representative</li> <li>3. Provide regions with program information pack</li> <li>4. Set-up Slack group (or other online working platform) &amp; provide local representatives access to Slack group</li> <li>5. Schedule program meeting invites with local representatives</li> <li>6. Prepare and coordinate online launch and Q&amp;A session</li> <li>7. Deliver online launch and Q&amp;A session</li> </ol> | <ol style="list-style-type: none"> <li>1. Create, send and analyse survey on local representative capability in focus areas to determine baseline</li> <li>2. Develop capability building program and resources</li> <li>3. Delivery online capability building session 1 – Community wealth building</li> <li>4. Deliver online capability building session 2 – Capital &amp; fund structures, management &amp; operation</li> <li>5. Deliver online capacity building session 3 – Case studies - place-</li> </ol> | <ol style="list-style-type: none"> <li>1. Create, send and analyse survey on local capital, investment and development needs, challenges, opportunities and existing approaches</li> <li>2. Design online workshop for local capital, investment and development needs, challenges and opportunities</li> <li>3. Deliver online workshop with Local Representatives to co-learn and co-design the place-based capital needs framework</li> <li>4. Undertake research into existing place-based models</li> </ol> | <ol style="list-style-type: none"> <li>1. Create, send and analyse survey on aggregation &amp; cooperation needs, challenges, opportunities and existing approaches</li> <li>2. Design online workshop for aggregation and cooperation needs, challenges and opportunities</li> <li>3. Deliver online workshop with Local Representatives to co-learn and co-design the aggregation and cooperation needs framework</li> <li>4. Undertake research into existing aggregation models</li> </ol> | <ol style="list-style-type: none"> <li>1. Design research framework and methodology</li> <li>2. Undertake research with a range of potential investors to understand their market demand, needs, challenges and opportunities with engaging with local fund models</li> <li>3. Collate and analyse findings to inform stage 3.</li> <li>4. Share findings with regions</li> <li>5. Steering Committee meeting</li> </ol> | <p>Incorporating learning and deliverables from Stage 2</p> <ol style="list-style-type: none"> <li>1. Create, send and analyse survey on concept model – option identification and design</li> <li>2. Prepare early concept model options based for consideration in workshop</li> <li>3. Design online workshop for concept model - option identification &amp; design</li> <li>4. Deliver 2 x online workshops with Local Representatives to codesign a select</li> </ol> | <ol style="list-style-type: none"> <li>1. Review data and insights gathered from stage 2 &amp; 3a and determine whether there are any gaps that need addressing</li> <li>2. Undertake a technical viability and commercial feasibility analysis of the options</li> <li>3. Prepare report and recommendations</li> <li>4. Present findings and recommendations to regions</li> <li>5. Steering Committee meeting</li> </ol> | <ol style="list-style-type: none"> <li>1. Confirm which regions are interested in progressing with the initiative</li> <li>2. Deliver workshop with interested regions to develop next steps plan</li> <li>3. Steering Committee meeting</li> <li>4. Create, send and analyse survey on program outcomes to inform program evaluation</li> <li>5. Send final program outcomes report to regions</li> <li>6. Program end.</li> </ol> |

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|                               | 8. Establish Steering Committee                                                                                                                                                             | based and local fund models in operation<br>6. Re-issue and analyse survey on local representative capability in focus areas to identify gaps, further capability building needs                                                                               | (structure, operation, cost, legalities)<br>5. Collate and analyse findings from the workshop & research<br>6. Develop refined place-based capital needs framework (to inform Stage 3).<br>7. Share findings with regions                                                                                                                     | (structure, operation, cost, legalities)<br>5. Collate and analyse findings from the workshop & research<br>6. Develop refined aggregation and cooperation needs framework (to inform Stage 3).<br>7. Share findings with regions                                                                              |                                                                                                                                                                                                                                                      | number of concept model options<br>5. Collate and analyse findings from the workshop<br>6. Develop a proposal outlining a select number of options (to enable Stage 3b).<br>7. Share proposal with regions                               |                                                                                                                                                                                             |                                                                                                                                                                                             |
| Outputs                       | <ul style="list-style-type: none"> <li>Program Information Pack</li> <li>Slack Group</li> <li>Launch, Q&amp;A Session</li> </ul>                                                            | <ul style="list-style-type: none"> <li>Local representative survey results pre and post capability building</li> <li>Capability Building Framework, Materials and Sessions</li> </ul>                                                                          | <ul style="list-style-type: none"> <li>Local representative survey results</li> <li>Workshop and on place-based capital needs, challenges &amp; opportunities</li> <li>Research report on place-based capital needs, challenges &amp; opportunities</li> <li>Place-based capital needs framework and interim findings from stage 2</li> </ul> | <ul style="list-style-type: none"> <li>Local representative survey results</li> <li>Workshop and Research report on aggregation &amp; cooperation needs, challenges, opportunities and existing approaches</li> <li>Aggregation &amp; cooperation needs framework and interim findings from stage 2</li> </ul> | <ul style="list-style-type: none"> <li>Research methodology</li> <li>Interim findings report from stage 2</li> </ul>                                                                                                                                 | <ul style="list-style-type: none"> <li>Local representative survey results</li> <li>Concept models including descriptions, diagrams and key characteristics</li> <li>Options proposal paper and interim findings from stage 3</li> </ul> | <ul style="list-style-type: none"> <li>Technical viability and commercial feasibility report</li> </ul>                                                                                     | <ul style="list-style-type: none"> <li>Next steps plan</li> </ul>                                                                                                                           |
| Timeframe                     | 22 Aug – 16 Sep 2022                                                                                                                                                                        | 19 Sept – 14 Oct 2022                                                                                                                                                                                                                                          | 17 Oct – 11 Nov 2022                                                                                                                                                                                                                                                                                                                          | 14 Nov – 9 Dec 2022                                                                                                                                                                                                                                                                                            | 9 Dec – 3 Feb 2023                                                                                                                                                                                                                                   | 6 Feb – 24 Feb 2023                                                                                                                                                                                                                      | 27 Feb – 24 March 2023                                                                                                                                                                      | 27 March – 14 Apr 2023                                                                                                                                                                      |
| Stakeholders / Collaborators  | <ul style="list-style-type: none"> <li>Regions - Local Representatives</li> <li>Ethical Fields – Program Management &amp; Delivery</li> <li>Yunus Centre – Learning Journey Lead</li> </ul> | <ul style="list-style-type: none"> <li>Regions - Local Representatives</li> <li>Ethical Fields – Program Management &amp; Delivery</li> <li>Yunus Centre – Learning Journey Lead</li> <li>Representative from current working case studies</li> </ul>          | <ul style="list-style-type: none"> <li>Regions - Local Representatives</li> <li>Ethical Fields – Program Management &amp; Delivery</li> <li>Yunus Centre – Learning Journey Lead</li> <li>Representative from current case studies</li> <li>Local entrepreneurs</li> <li>Local community entrepreneurs</li> </ul>                             | <ul style="list-style-type: none"> <li>Regions - Local Representatives</li> <li>Ethical Fields – Program Management &amp; Delivery</li> <li>Yunus Centre – Learning Journey Lead</li> <li>BCCM</li> <li>Representative from current working and failed case studies</li> </ul>                                 | <ul style="list-style-type: none"> <li>Ethical Fields – Program Management &amp; Delivery</li> <li>Yunus Centre – Learning Journey Lead</li> <li>Potential investors / funders</li> <li>Local economic and community development officers</li> </ul> | <ul style="list-style-type: none"> <li>Regions - Local Representatives</li> <li>Ethical Fields – Program Management &amp; Delivery</li> <li>Yunus Centre – Learning Journey Lead</li> <li>Feasibility Analyst Collaborator</li> </ul>    | <ul style="list-style-type: none"> <li>Regions - Local Representatives</li> <li>Ethical Fields – Program Management &amp; Delivery</li> <li>Yunus Centre – Learning Journey Lead</li> </ul> | <ul style="list-style-type: none"> <li>Regions - Local Representatives</li> <li>Ethical Fields – Program Management &amp; Delivery</li> <li>Yunus Centre – Learning Journey Lead</li> </ul> |
| Specialist Expertise Required | <ul style="list-style-type: none"> <li>Program Management &amp; Administration</li> </ul>                                                                                                   | <ul style="list-style-type: none"> <li>Program Management &amp; Administration</li> <li>Community wealth building expertise</li> <li>Capital, investment &amp; fund expertise</li> <li>Place-based and local fund models lived experience expertise</li> </ul> | <ul style="list-style-type: none"> <li>Program Management &amp; Administration</li> <li>Local capital, investment expertise</li> <li>Local development expertise</li> <li>Place-based and local fund models lived experience expertise</li> </ul>                                                                                             | <ul style="list-style-type: none"> <li>Program Management &amp; Administration</li> <li>Cooperative &amp; Mutual Expertise</li> <li>Aggregation models expertise</li> </ul>                                                                                                                                    | <ul style="list-style-type: none"> <li>Program Management &amp; Administration</li> <li>Capital, investment and other financial management expertise</li> <li>Local economic and community development expertise</li> </ul>                          | <ul style="list-style-type: none"> <li>Program Management &amp; Administration</li> <li>Graphic designer</li> </ul>                                                                                                                      | <ul style="list-style-type: none"> <li>Program Management &amp; Administration</li> <li>Technical viability and commercial feasibility expertise</li> </ul>                                 | <ul style="list-style-type: none"> <li>Program Management &amp; Administration</li> </ul>                                                                                                   |