

PLACE BASED CAPITAL PROGRAM



Executive Summary

The Place Based Capital Program is a network of twenty places plus other partners from across Australia, working together to co-design and build capital and investment systems and structures, that will:

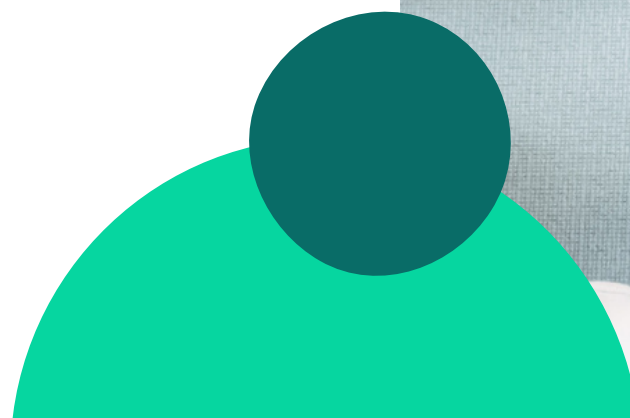
- Fund place-based impactful opportunities that will benefit local places and people across Australia,
- Enable local places and communities to invest in themselves and attract co-investment from aligned sources outside the region,
- Promote locally-led, owned and inclusive development, investment, returns and impact,
- Build the empowerment, control, wealth, equality and wellbeing of local people and places,
- Utilise aggregation and cooperation between local places to achieve economies of scale and provide access to larger forms of capital,
- Transform the capital and investment logic – so that local places and people are financially self-sufficient, resilient and prosperous.



About Ethical Fields

We are Community Wealth Builders.

We partner with community, business and government to create prosperous, equitable, regenerative, and resilient local economies and communities using community wealth building.



About Community Wealth Building

Community wealth building creates more prosperous, equitable, sustainable, and resilient local economies and communities. It has demonstrated impact in the US, UK and is rapidly growing in Australia.

It's an important economic and community development model that builds economic power and inclusion within local communities. It's a way of transforming our local economies to place ownership, control and benefits into the hands of local people; and to ensure the economy genuinely works for all and the environment.

Central to community wealth building are a number of common principles for how to structure and operate our local economies. These include place-based, people-centered, inclusion and democratic participation, ownership, reinvestment, equitable prosperity and regeneration.



How does Community Wealth Building work?

There are five key pillars (or strategies) adopted by community wealth building. Local places can control and influence these pillars. When combined they can transform a local economy.

Community Wealth Building Pillars

1. Enterprises

Promote and support the growth of community wealth building enterprises.

2. Assets

Adopt asset ownership and asset use models that generate community ownership, wealth and benefits.

3. Spending & Supply Chains

Maximise local supply chains and spending power to deliver local economic, social and environmental benefits.

4. Workforce

Build inclusive jobs where employees have a financial and controlling stake in their place of employment.

5. Finance

Make financial power work for local places and people



Community Wealth Building Opportunites



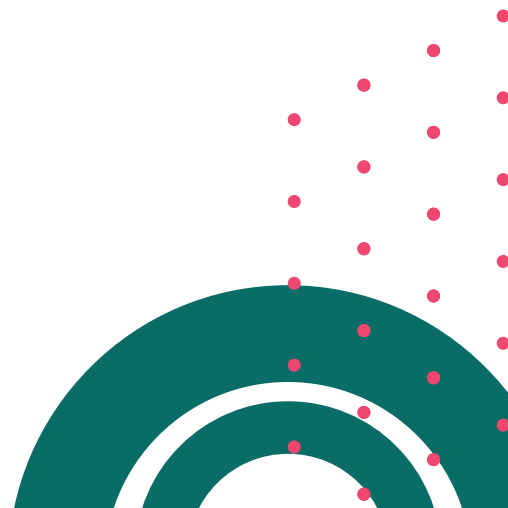
We have a network of individuals from government, business, industry and community eager to make a difference in their region.



They have local investment and community wealth building opportunities in their local area that they are keen to realise.



They would like to ensure the control and benefits of these opportunities flow back into the hands of local people and organisations



The Challenge

Local places and people require capital sources, systems and structures that are supportive of local aspirations, opportunities, needs and challenges.

Beyond access to capital, they also seek more engagement, control and influence over local investment, development and economic activity broadly. 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 activities.

Whilst the existing capital and financial system services many areas, there are gaps and challenges with these options. Local communities who have considered and attempted to set up local capital and financial structures alone, have encountered barriers with capability, capacity, funding and resources.



To realise these opportunities and address these challenges, we are undertaking the:

PLACE BASED CAPITAL PROGRAM



Our Goal

Create Place Based Capital

Place Based Capital

- Builds and prioritises the empowerment, control, wealth, equality and wellbeing of local people and places.
- Is aligned to and respectful of the vision, opportunities and challenges of local places and people.
- Includes and prioritises existing and future capital held by local people and organisations (including micro capital < \$100)
- Includes non-local private and public sources of capital that are also aligned to place



Our Goal Cont.

Create Place Based Capital Systems & Structures

Place Based Capital Systems & Structures:

- Fund place-based impactful opportunities that will benefit local places and people across Australia.
- Promote and prioritise locally-led, owned and inclusive development, investment, returns and impact.
- Provide a mechanism for local people and organisations to invest in their region and attract co-investment from aligned sources outside the region.
- Utilise scaling, aggregation and mutualisation between local places to achieve economies of scale and provide access to larger forms of capital.



The Benefits

Places & People

- Enables community to invest in themselves and leverage available capital from the region including micro-capital.
- Attracts and aggregates other forms of capital and aligned investors.
- Invests in infrastructure and enterprises aligned with the long-term goals of the place.
- Overcomes investment rigidities and builds capacity to act.
- Builds economic power, control, self-reliance & resilience.

Government

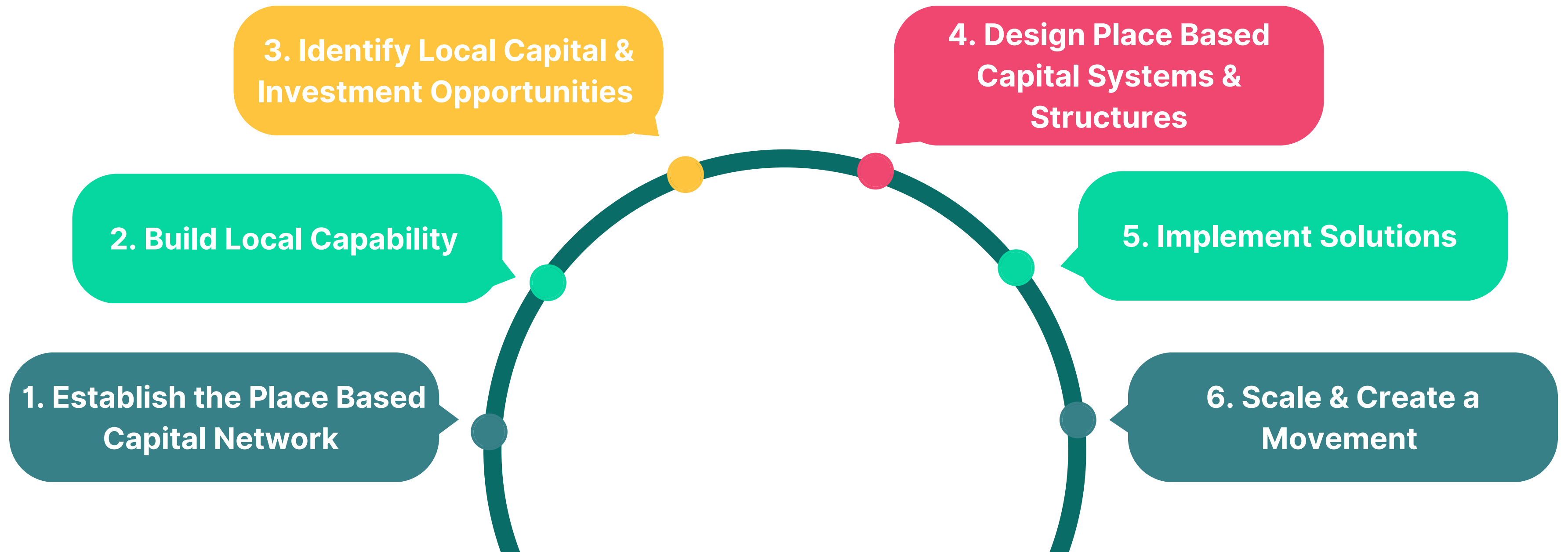
- Allows local government to invest in their own communities and Fed/State government to invest in local action.
- Attracts and aggregates capital for projects.
- Provides more targeted and beneficial investment in places.
- Offers another pathway for State Government to deliver in the regions
- Reduces reliance on government funding.

Corporate & Institutional Investors

- Assists investment decision making.
- Provides vehicles to invest in place and people.
- Provides strong, long-term returns on investment aligned with impact.
- Reduces risk through strategic alignment, aggregation, co-investment and ethical investment.
- Delivers on ESG commitments and builds community connections.

Our Approach

We are working together with Places and Partners to co-design and co-develop place based capital systems and structures through an initial pilot program. Our pilot approach and next steps include six key stages:

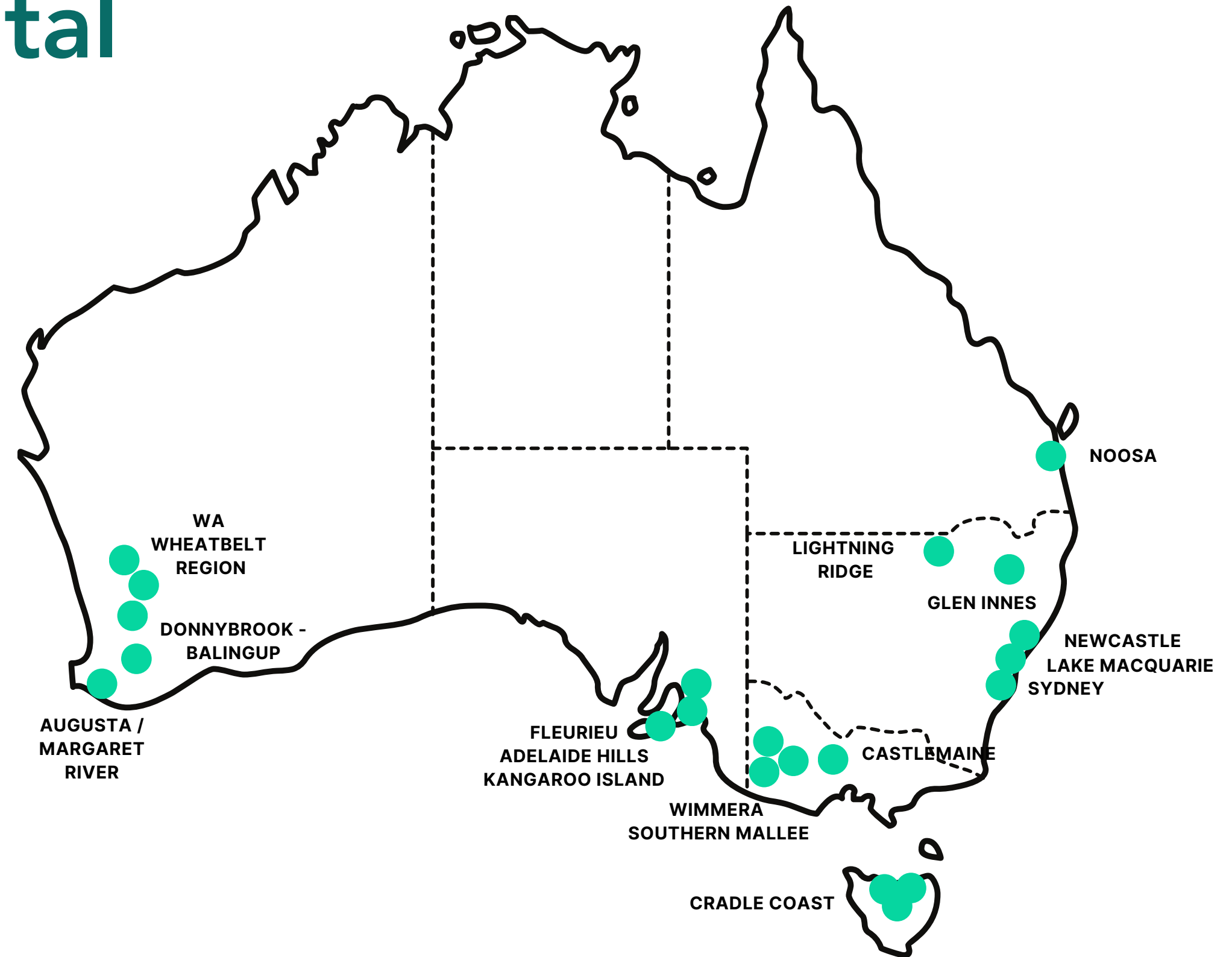


1. Place Based Capital Network

Places

We are working with a network of places across Australia to build community wealth building and place based capital.

They are keen to try new approaches and make this happen in their community.





Partners & Enablers

We are working with a network of partners and enablers keen to support community wealth building and place based capital.

We are seeking additional partners and enablers to join the Network and participate in the Program.

Lead Learning Partner – Griffith Centre for Systems Innovation

Development Authorities

Local Councils

Community Organisations

Investment & Philanthropy Groups

Federal & State Government (in development)

2. Build Local Capability

We will build local capability in community wealth building, financial systems, local investing and collective investing.

This capability will support program participation and enable Places to build local confidence to lead and innovate in place based capital.



3. Understand Local Capital & Investment Opportunities

Together we will identify and better understand the local and shared capital and investment needs, challenges and opportunities. We will identify community wealth building projects and investment opportunities.

These insights will support places, aligned investors and other enablers to act and will inform Stage 4 of the Program.



4. Design Place Based Capital Systems & Structures

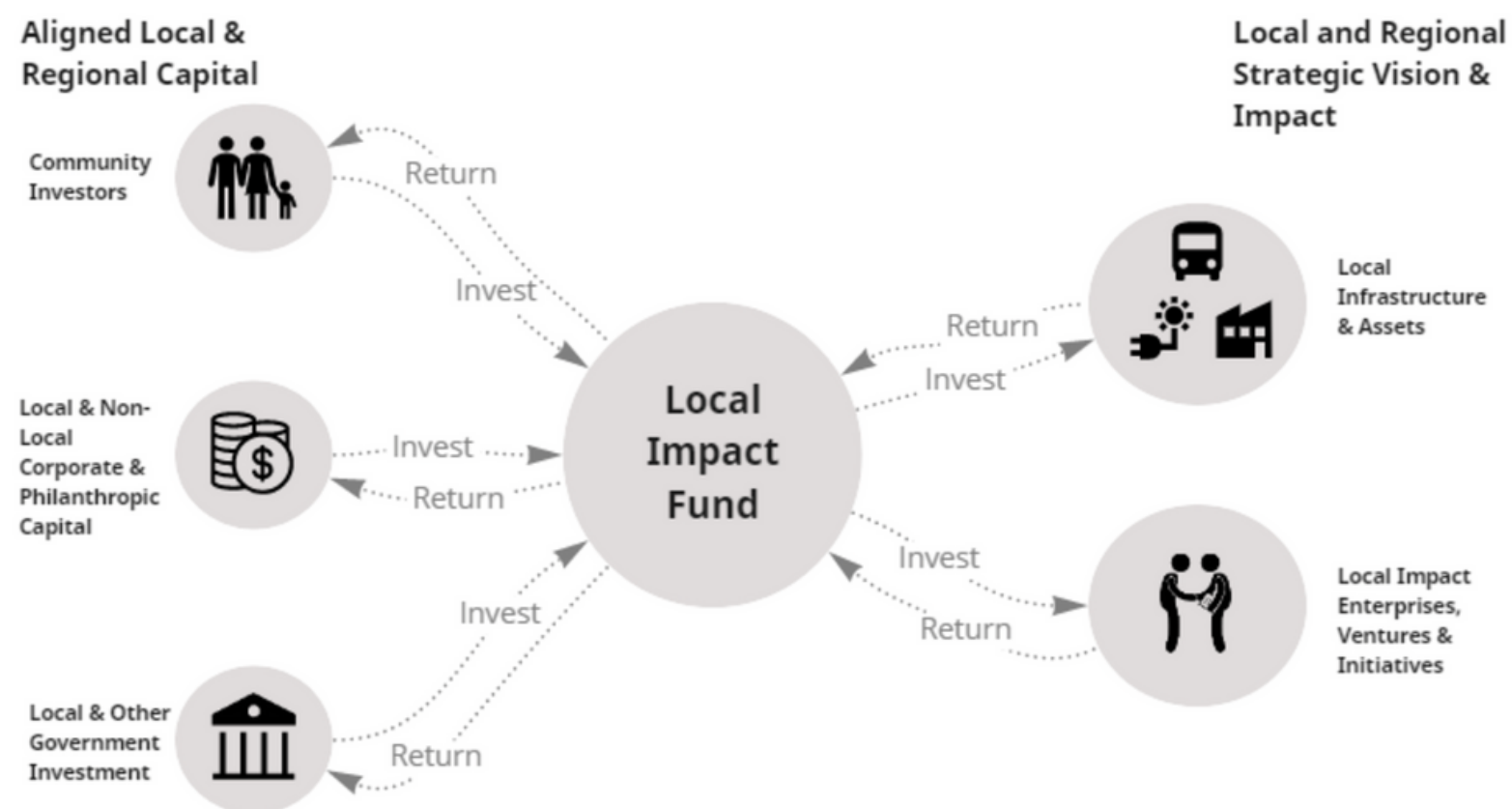
We will research, co-design and evaluate innovative capital and investment solutions and structures to support locally-led, owned and inclusive capital, development, investment, returns and impact

Including both local structures, as well as regional and national structures that leverage aggregation and cooperation between local places to achieve economies of scale and access to larger forms of capital.

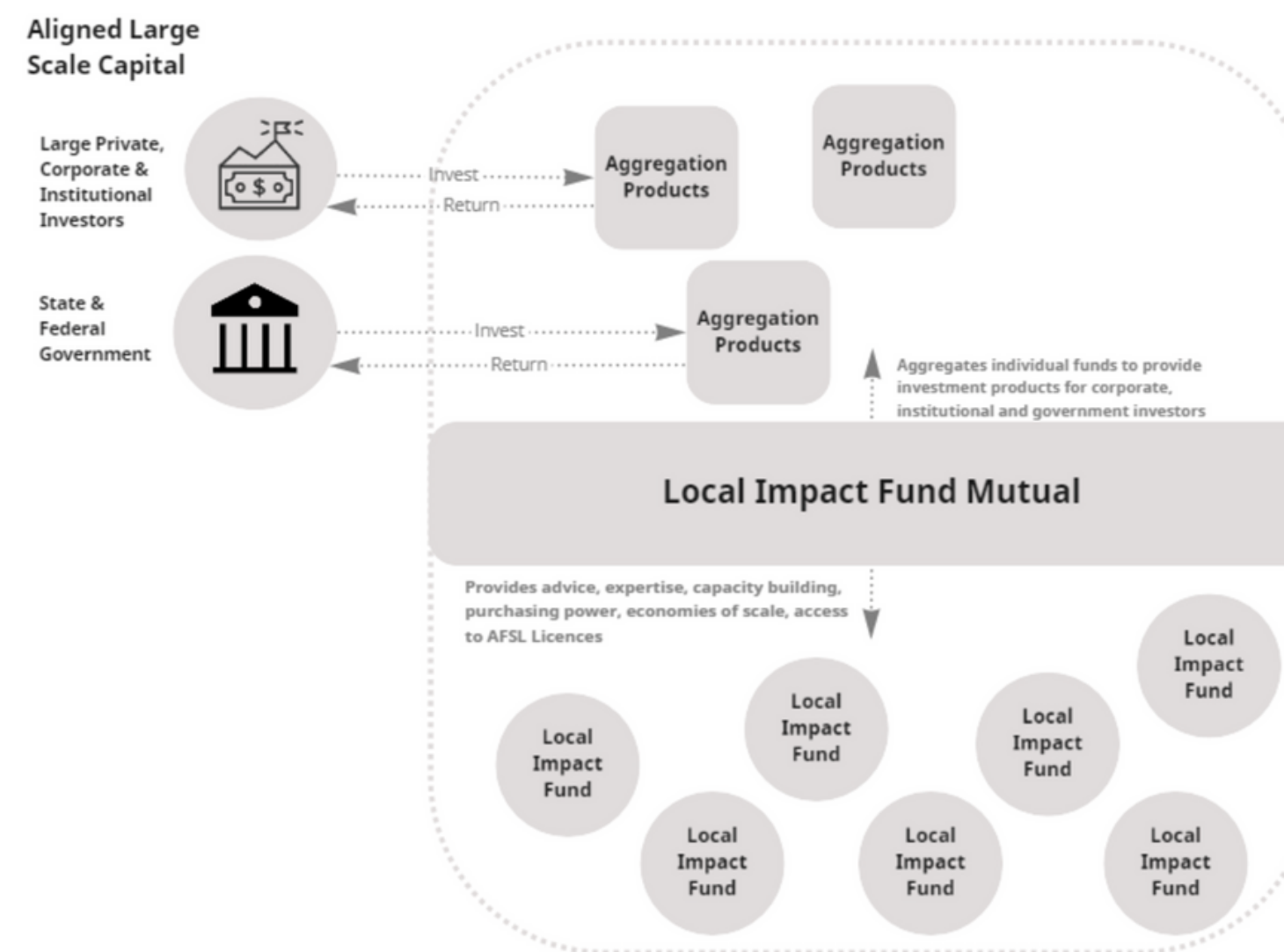
These solutions and structures can be adopted in Places and will inform the next steps for the Program and Network.



- For example, we will design and test local structures such as a Local Impact Fund.
- As well as regional and national structures, such as an Impact Fund Mutual that would utilise collaboration, aggregation and/or mutualisation between local places to achieve economies of scale and access to larger forms of capital.



Local Impact Fund. Source: Ethical Fields 2023



Local Impact Fund Mutual. Source: Ethical Fields 2023



5. Implement solutions

We will develop a plan and work together to implement the preferred place based capital solutions and structures.

This may include local solutions and networked solutions at the regional and national scale.

6. Scale & Create a Movement

We won't stop there...

We will capture and share learnings and outputs widely and broadly to optimise system change.

We will invite all places across Australia to join the Community Wealth Building and Place Based Capital Movement.



For more information

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