

PLACE BASED CAPITAL PROGRAM



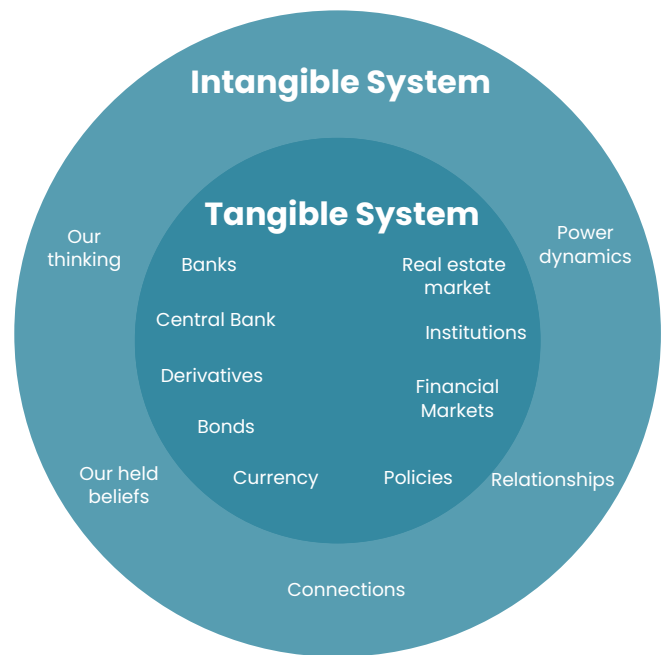
DISCUSSION GUIDE #2 EXISTING FINANCIAL & CAPITAL SYSTEMS

The Place Based Capital Program is a network of People, Places and Partners from across Australia working together to create more locally led, locally owned, prosperous, equitable, self-sufficient, regenerative, and resilient local capital systems, economies and communities.

This discussion guide provides suggested discussion topics and questions to help engage your networks and activate place based capital in your place, community and/or organisation. The focus of this guide is existing financial & capital systems.

Finance & Financial Systems

Finance refers to activities that involve creating, circulating or managing money, assets and liabilities. The Financial system is the interconnected set of elements that are organised to support these activities. Financial systems include tangible elements (such as money, banks) and intangible elements (such as beliefs, power dynamics). Financial systems operate on different levels such as global and local. Local financial systems are the systems in a local place for creating, circulating or managing money, assets and liabilities.



Examples of tangible and intangible elements of the financial system

What makes up our local financial system, both tangible and intangible?



Financial System Purpose, Goals and Impact

Financial systems traditionally allow us to trade, invest, borrow and share risk. The way these activities operate has a significant impact on our local economies, communities and environment. Our existing financial system delivers value and benefit, but it can also cause problems and harm.

This system is a human construct... it can evolve, and it can be changed. Ideally local financial systems operate in ways that support locally shared values and beliefs.



**What do we want our local financial system to enable us to do?
What impact would we like our local financial system to have?**

DISCUSSION GUIDE #2

EXISTING FINANCIAL & CAPITAL SYSTEMS

Capital & Capital Assets

Capital refers to any resource that has the capacity to create a flow of benefits. There are different types of capital including human, social, natural, manufactured and financial.

Capital assets are property of any kind that are expected to generate value over time. They include all kinds of property; movable or immovable, tangible or intangible, fixed or circulating. Examples include land, infrastructure, buildings, businesses, plant, machinery, equipment, jewellery, art, IP, patents/trademarks, inventory, cash and others. There are many capital assets - current and future - in your places, organisations and communities.

Capital assets can create financial, economic, social, environmental and other benefits and value. Ideally the benefits and value created by local capital assets flow back to local people, organisations and places.



Examples of capital assets found in local places

Why types of capital assets exist in our place? What benefits and value do they or could they create? Who should that benefit and value flow to?



Capital Asset Use & Ownership

Capital asset use and ownership influences the creation of, and flow of benefits and value. Capital assets can be used for a whole range of purposes including economic, social, environmental and other outcomes. Ownership comes with important rights and benefits including:

- Control over the long term vision and strategy
- Control over how the asset is used and operated
- Power to influence behaviour or events
- Access to detailed knowledge about the asset
- Control over whether to sell it and to who
- Income derived from the asset
- Capital growth and wealth from the asset
- Magnification of wealth by leveraging debts against the asset to buy more assets.

Ownership of capital assets is not equally distributed. Our existing system makes it easier for those who already hold assets to accumulate more. Ideally local capital assets are owned, controlled and used in ways that economically empower and benefit local people, organisations and places.

How should the local capital assets in our place be used? Who should own and control the local capital assets in our Place?



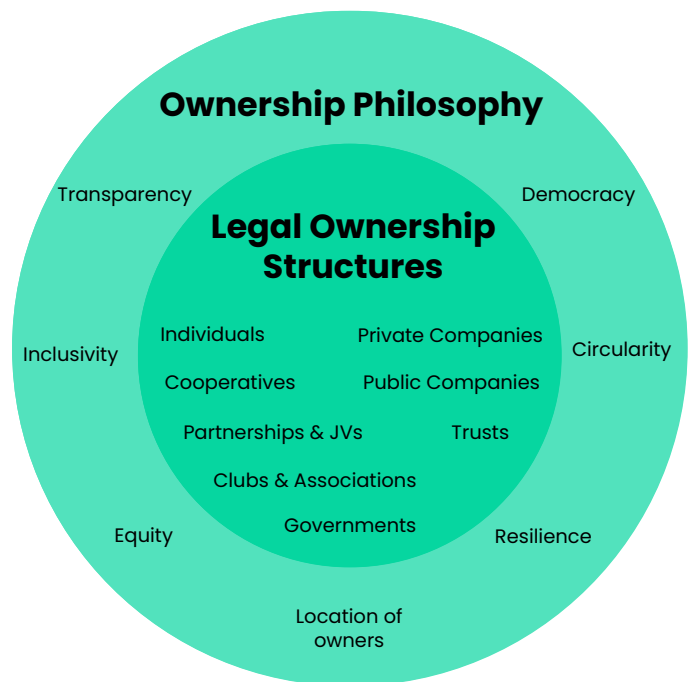
DISCUSSION GUIDE #2

EXISTING FINANCIAL CAPITAL SYSTEMS

Ownership Structure & Philosophy

An ownership structure describes how the ownership and control of a capital asset is held and distributed. When considering ownership, it is useful to consider both the legal structures (such as companies) and the ownership philosophy (such as inclusivity). Many legal ownership structure types can be used to realise different ownership philosophies by amending things such as the constitution. For example, the constitution can be used in public companies to specify purpose, democratic participation and transparency. Ideally the ownership structure of local capital assets support locally shared values and goals.

What type of ownership structures and philosophies exist in our Place? Do they align with our values and goals?



Examples of ownership philosophies and legal structures

Sources of Funding

Local people, organisations and places rely on sources of funding and money to fund their local needs and goals.

Common sources of local funding include income streams (existing or future), government funding (local, state and federal), grants and one-off, sponsorship, donations and bequests, revenue, debt and equity.

Ideally there are sources of funding that meet the needs and goals of local people and places.



What are the sources of funding available in our Place? Do they meet our needs and goals?

FOR MORE INFORMATION

Contact the Place Based Capital Program via email pbcp@ethicalfields.com



The Place Based Capital Program is sponsored by Ethical Fields, Griffith Centre for Systems Innovation, Town Team Movement, Collaboration for Impact, CBH Group (Wheatbelt Partner), Newcastle City Council, Wimmera Development Association Ltd, RDA Adelaide Hills Fleurieu and Kangaroo Island, Noosa Shire Council, Cradle Coast Authority, Lake Macquarie City Council, THERW Collection, NEWROC, Regen Sydney, Regen Melbourne, Castlemaine Institute, Mount Alexander Shire Council, Logan Child Friendly Community, Huon Valley Council, Shire of Augusta Margaret River, Western Murray Land Improvement Group, Glen Innes Severn Council