

# PLACE BASED CAPITAL PROGRAM



## DISCUSSION STARTER #3 PLACE BASED CAPITAL

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, financial 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 Place Based Capital.

### Place & Capital

Place Based Capital concepts and practices that are currently being explored in Australia offer a way of thinking about, developing and strengthening multiple forms of place based capital. Place is not a fixed concept and could be a local neighbourhood, local government area, a town, a city, a region or a bioregion. Capital means any stock of resources that has the capacity to create a flow of benefits. There are different types of capital such as:

- natural capital - natural flows and resources that support life.
- human capital - people's health, knowledge, skills and motivation.
- social capital - networks, connections and relationships between people.
- manufactured capital - human-made stock of material objects, systems, infrastructure and processes.
- financial capital - money, credit, and other forms of funding that can be used for economic and financial activities.

**What is our place? What types of capital exist in our place? What impact does it have?**



Ideally place based capital is owned, used, controlled and cared for, in ways that support local places, ecosystems and people to thrive.

### Capital Needs, Challenges & Aspirations

Many places across Australia are experiencing similar challenges and hold similar needs and aspirations around place and capital. Here is one representation.

Local people love their place and want to see it thrive. They want to see thriving local environments, communities, economies, businesses and services. These local people hold aspirations, ideas and plans to enable their places to thrive. To achieve this impact, they require suitable and sustainable sources of funding. However, existing funding sources are ad hoc, temporary, inflexible, overly prescriptive and often come from external actors and organisations. They are tired of applying for grants and fitting their needs into the funding needs of others. Local people also need access to other capital assets such as land, property, business structures, equipment, vehicles, IP and more. These capital assets may not exist in place or may be inaccessible.

These places and people don't just want access to funding and capital assets. They recognise that access alone will not lead to thriving places. They are seeking more engagement, connection, control and influence over their local investment, development and economic activity.

# DISCUSSION STARTER #3

## PLACE BASED CAPITAL

### Capital Needs, Challenges & Aspirations Cont.

What are our place based capital needs, challenges and aspirations?  
What parts of this story resonate with us?



They seek opportunities for all members of the community to participate in, co-invest and share in the risks and returns of local economic and development activity. They would like to ensure the benefits of this activity flow back into the hands of local people and organisations.

On the other side, many external actors - such as government, impact organisations, impact investors and others - are trying to increase place based activities and impacts but aren't sure how and are also limited by existing financial structures and mechanisms.

### Strengthening Place Based Capital

To address these challenges and aspirations, alternative frameworks of place and capital are emerging across Australia.

There is no universal model. Place based capital might look and operate differently in each place. Sharing and supporting all representations of Place Based Capital will help to strengthen place based capital in places and collectively across Australia.

One possibility is represented in Figure 1. Place Based Capital Framework.

This framework has an emphasis on strengthening financial systems, so they serve local places and people, increase local participation and ownership, improve equity, locally reinvest benefits and value, grow local prosperity and increase resilience and self-determination.

The components of this framework are described below.

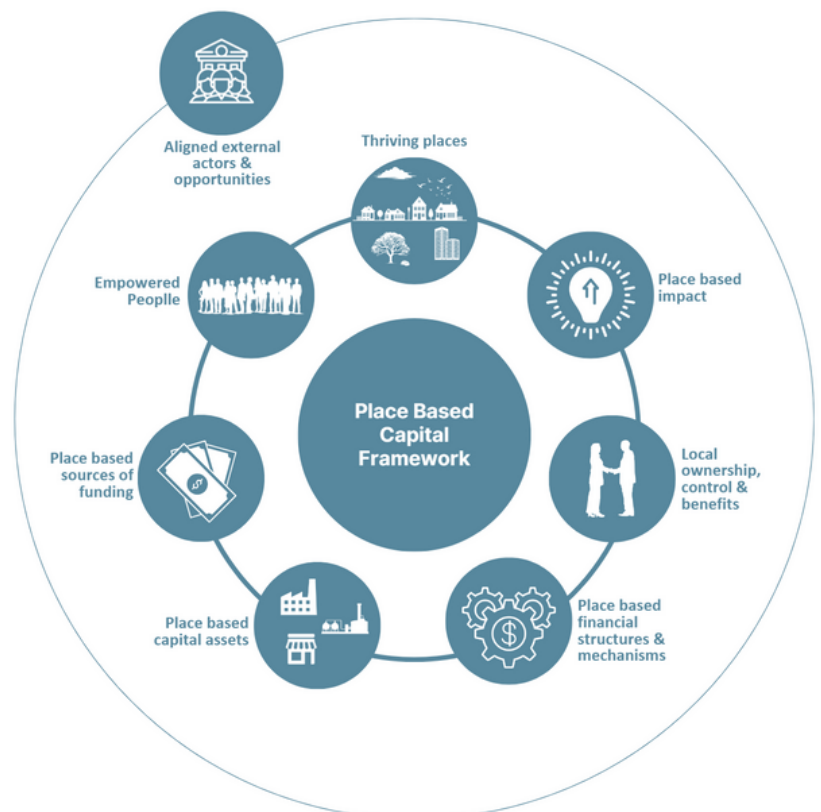


Figure 1. Place Based Capital Framework.  
Source: Place Based Capital Program 2023

#### A thriving place is important

Place is physical – it includes the wildlife, ecosystems, weather, landscapes and infrastructure of a location. Place also carries meaning, memories, cultures and people that make them more than just physical locations. Place based capital strengthens the capital of a place, enabling it to thrive.

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### Strengthening Place Based Capital Cont.

#### **Empowered people are important**

In particular, the people that live in a place or have an important connection to a place, such as local individuals, families, employees and business owners. Place based capital empowers these people and strengthens their human and social capital.

#### **Local ownership, control, benefits & returns are important**

Locally-led, owned and inclusive economies, development, investment, returns and impact are important. Place based capital builds the self-determination, ownership, resilience, equality, wealth and wellbeing of local people and places.

#### **Place based sources of funding are important**

Places based capital utilises funding from local people, families, businesses and organisations for local economic and financial activities. It encourages and supports local people to invest (or co-invest) in their local economy, infrastructure, industries, businesses and communities.

#### **Place based capital assets are important**

Place based capital utilises existing capital assets in a place to best support the needs and aspirations of local individuals, families, businesses, entrepreneurs and communities. It encourages and supports local people to hold a financial and/or controlling share in existing and future capital assets of a place.

#### **Place based financial structures & mechanisms are important**

Place based capital creates and preferences financial structures and mechanisms that enable local people to participate in and benefit from local economic and financial activities.

#### **Place based needs, aspirations and impact is important**

Place based capital realises local economic and community development opportunities that benefit and better align with the needs and aspirations of local places and people.

#### **Aligned external actors and opportunities beyond place are important**

Place based capital does not limit activities and opportunities to place. Place based capital invites aligned external actors and opportunities to engage and participate with local places and people in ways that will support and grow place based capital, whilst meeting their own risk and return needs.

Place Based Capital connects these components into a cohesive framework so they can work together and over time build Place Based Capital systems.

**What does place based capital mean to us? How would we define, describe and represent it? What parts of this framework would we like to see in our place?**



### FOR MORE INFORMATION

Contact the Place Based Capital Program via email  
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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