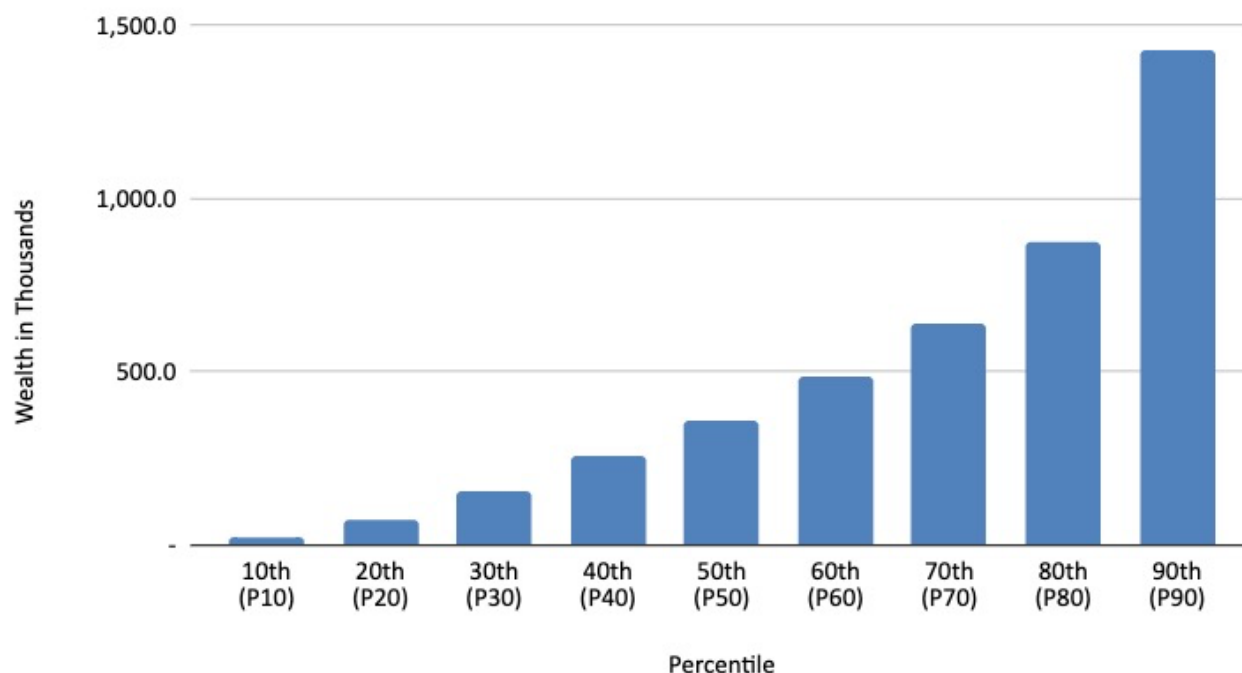


Improving the Well-Being of Canberrans

Australian Wealth vs. Percentile 2020 in 2010 dollars



The fastest way for the ACT Government to increase the Well-Being of Canberrans is with policies addressing the obscene wealth disparities in our Community. Every six months, the wealthiest 10% of Canberrans' wealth increases by the total wealth of the poorest 10%. For most people, wealth and well-being correlate. Increase a person's wealth, and, more often than not, well-being will increase.

For example, mental health issues are at least twice as prevalent in the poorest percentile as in the wealthiest. We know mental health improves as people's wealth improves. Well-being measure after measure shows the same trend.

While wealth and income are related, income discrepancies are an order of magnitude less and change slowly. It takes six years for higher-income people to increase their income by as much as the total income of the lowest-income people. The difference between wealth and income comes from government policy to transfer income via taxes on profits and income. Governments transfer income but don't transfer wealth. Rather they tend to do the opposite.

Levelling the wealth increase per person across society will make the greatest difference at the fastest rate to Well-Being. We know the financial system is not working as expected because the Reserve Bank and the Treasury cannot reliably predict the economic outcomes of increasing or decreasing interest rates — except both increase the wealth of the rich at the expense of those with less.

The underlying reason for the increasing wealth disparities is how the financial system operates. In a free market cash economy, businesses share profits with lower prices to buyers. However, in a free market economy, profits from Capital are not shared with lower prices but are taken by the owners of the Capital. The free market does not share profits from Capital. [Read Fair, Efficient, Sustainable, Wealth Sharing](#) to see an alternative.

Any business can decide to increase its profits and share with its customers by using Community Capital Markets. [Read a Self-Regulating Efficient Market](#) to show how a monopoly like Iconwater can set fair prices and increase revenue to the ACT government. Changing government policy to require Iconwater, Evoenergy, and the government incentives on Community Batteries, to use Community Capital will reduce wealth disparities and the cost of operating these businesses.

However, the greatest benefit to the Canberra Community will come from making housing affordable for all. The ACT government could budget a small amount of money to assist an existing body corporate to combine their properties and make all the properties affordable to their occupiers — including renters. At the same time, it would offer self-managed superfunds an investment opportunity to return an indexed allocated pension for twice as long as the best superannuation fund. Read [Build to Rent and Buy \(BTRAB\)](#), which outlines the approach.

The barriers to adoption are regulatory, which is why government assistance is required. The current tax, rental, and finance regulations assume that landlords do not share the profits from ownership and that properties must be purchased in whole and not with rent. It leads to the slow movement of Capital, the cost of renting money to buy a home, high insurance costs, and unnecessary real-estate expenses.

Once one Community Capital Market is in place, most housing in Canberra will move to local Community Capital Markets as the cost of operating markets and the increase in Capital utilisation will halve the lifetime cost of owning a house while increasing the returns to investors.

The ACT Government, for low cost, can trial Community Capital and make significant changes to Community Well-Being through policy changes to make everyone wealthier at an equal rate.

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