

# Submission to [Housing Australia Future Fund Bill 2023](#)

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## Recommendation

Insert into the bill a clause requiring the Future Fund to distribute funds through Community Capital Markets.

## Community Capital Markets

In a Community Capital Market, 50% of every rental payment becomes equity owned by the occupier. To the occupier, it is like a mortgage payment. To the investor, it is like an inflation-adjusted annuity that lasts twice as long as a superannuation pension.

## Reason for the New Clause

The Market works for existing and new dwellings. It gives investors, including the Future Fund, high returns because it removes the real estate and loan market cost and increases the investment rate. If occupiers can pay 25% or more of their disposable income, they have the security of tenure from their acquired equity.

For no cost to the budget, the government could ensure that every person in Australia lived in affordable housing, and the Future Fund would continue to grow with the economy.

If the funds purchased existing houses, it would reduce inflation without raising interest rates or house prices or decreasing the money supply.

Community Capital Markets remove the need for Real Estate Markets.

Treasury can check the claims made in this submission with spreadsheet models outlined in the article [Stock Markets Compared to Community Capital Markets](#) and [Build to Rent and Buy \(BTRAB\)](#)

## Government Allocation of Funds

When a government allocates funds for investment, it puts them into the financial markets with unpredictable outcomes.

Community Capital Markets overcome the problems of trading Capital and provide predictable higher-value outcomes. The government will know how the investments perform, and when they differ from the expected, it will know the reason.

For an organisation charged with allocating funds for others to use, this is highly desirable and hence the call to require government Capital funds to go to organisations that invest through Community Capital Markets. These stable, predictable, transparent markets cost little to operate.

## References

[Community Capital Markets](#)

[Fractal Scaling of Community Capital Markets](#)

[Distributing Capital to Community Groups.](#)

[Preserving Private Ownership with Community Capital Markets](#)

[Wealth and Income Inequality with Fair and Unfair Markets](#)