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# Glimpses of Utopia

Presentation by

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## About the presentation

You don't wake up and find a Utopia fully realised and perfectly formed. It happens a little bit at a time, unevenly, erratically, but if we know how to look, we can see glimpses of it emerging all the time, everywhere. Utopia doesn't happen by accident. It must be nudged into shape through the hard work of many people and the many institutions that make up our society. What can we do to help? In this keynote speech, Jess Scully will discuss how we can harness technology and imagination to reshape the world to build a fairer and more sustainable future.

## Jess Scully

I want to acknowledge that we're meeting on Wurundjeri Woi Wurrung land and to extend respect to elders past and present of that Nation.

Think bigger, fix everything – one of the best directives I've ever received. Yes, I don't mind if I do, actually. That would be great. And I have to say that, because these are the chapter headings in my book *Glimpses of Utopia*. When I started writing the book, I realised I couldn't just talk about politics, I couldn't just talk about finance - I had to talk about land, I had to talk about care, I had to talk about all of these interconnected issues. And that's because, as Andrew Wear has made so abundantly clear, we have a world of solutions out there, but what we lack is, it seems, a political imagination. It seems that we lack a public discourse to make better choices, or even to have better choices to choose from.

Because right now we're making terrible choices for society, and for the planet, and it's not because there isn't great ancient wisdom and traditions that we can draw from. It isn't that we don't have the energy of people like you who are trying to take care of people and planet. It's not because we don't have creativity and enthusiasm and energy in the community. It's because we're privileging the outcomes of a tiny few over the experience and the life opportunities of the vast majority of us.

We just need to have a better conversation. We need to tell stories, and to have better options to choose from, and we also need to challenge the general assumptions, the deep code that we take in as “That's just the way things are.”

Because that's just not the way things are everywhere in the world right now. That's just not the way things have always been through history, and it's not the way things have to be, and we know that, during a crisis, policy can turn on its head. Well, why can't we do that all the time? So, what I'm going to focus on - this is going to be a bit of a whirlwind, I have to tell you - is:

- How do we set better KPIs for society?
- How do we pay for a better world? and

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- How can we reshape politics as a tool for social decision-making and how do we actually get that activism, that leadership at a local level, that we need in order to get those better choices being made?

Here goes.

This is my favourite news article from last year: “Economy to Recover Strongly, But Wages and Jobs Will Not.”

I'm sorry, what's the economy again? Who is the economy for? What is it about, and who's making these choices about what the economy is designed to serve? This isn't handed down to us on high; this isn't natural law. These are choices that have been made by us as citizens, through the politicians that we choose to represent us. We can have better choices.

What if human flourishing was the KPI for our society, rather than jobs and growth? Now, there's this wonderful concept that Aristotle writes about – eudaimonia. It's living a life with purpose, a life where you feel fulfilled, where you're not just happy, you also have meaning and you're contributing back to your community. What if we put human flourishing as the core KPI of our society, and what if we made sure that all the money we spent, and all the policies we enacted, were in service of human flourishing? There are few examples in the real world of where that's actually happening.

At the City of Sydney we have a process to measure what counts to people. They're called community wellbeing indicators. This is the way that we measure people's trust in each other. We started measuring this in 2007. In 2007, 45% of people in our local government area had trust in their neighbours. Today it's 72%. Look, we've still got a way to go, but it means that we can now enact policies and support programs that are designed to build trust and social bonds. We asked people questions about the social connections they have – who they can turn to in a crisis – and we also looked to ABS data. That's what we use as our policymaking tool and guide.

At a larger level, New Zealand is doing this through their Wellbeing Budget, introduced in 2019. There've been a few hiccups along the way, of

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course, but the exciting thing about the Wellbeing Budget is that it makes politicians accountable for things that politicians usually don't want to be held to account on – things like indicators of child poverty, soil erosion, and water quality. It actually makes those things accountable and reportable at budget time, and that means if you're a Minister and you want to get funding for your initiative, you actually have to show how your work will help achieve one of these goals under the Wellbeing Budget.

Now, why would we want to do this, and what ends could this potentially serve? One idea I'm really excited about is universal basic services. Now, this is quite different to universal basic income. Who's heard of universal basic income? Right? You've probably heard it from Elon Musk or one of those other really cool guys: "Yeah, no, I'm not into it." There are some good things about UBI, certainly, and I've had some good arguments with its advocates.

My take on UBI, though, is that it could lead to an even more transactional-type economy, whereas I think, with universal basic services, the idea is to underwrite those services that we all need as humans – things that enable social participation and that elevate and support people who are socially excluded. It's about funding housing and healthcare, education, access to the internet, and access to transport.

The research that's been done on this at University College, London, finds that you actually get a huge efficiency dividend when you invest in those foundational services as a society. What's important here is that you're not investing in a big grey one-size-fits-all approach to delivering those services. The idea is that while you underwrite them at a central level, the distribution and the provision of those services happens at a decentralised and locally specific level. The idea is, in your community, for your need, you would form a service that could achieve an outcome under universal basic services and you would receive funding from a centralised source in order to deliver it.

Some other great approaches could work in service of this. There's an economist named Mariana Mazzucato who's done some fantastic work around evaluating what we value and how we attribute value, and reward value, within the economy. Picking up on something else Andrew Wear

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said, Mariana's approach is really not about redistribution of wealth, it's about pre-distribution of wealth. It's about working out who gets the resources, and who has to repay the investment that society has made in underwriting their success - the financial sector, the technology sector, or the property market, for example. So there is a way for us to provide those essentials of life, and universal basic services is a really great way of looking at that.

I had this voice in the back of my head the whole time I was writing the book, of course, which was saying "That's really nice. Who's going to pay for it?" I've had that question quite a bit, I have to say. What I think we need to do is have a full and frank conversation about taxation in this country. It's something that I write about a lot in the book, and I'm so glad it's one of the key questions here. There are some approaches, like [Ex'tax](#) for example, which are about taxing resources rather than human capital. It's all about making it cheap to employ people – to use their creativity and their human skills – and making it expensive to use natural resources.

But there are also other ways that we can reform the financial system using tax. One I love is called the Maid Marian tax. The Maid Marian tax is about, as you would imagine, robbing the rich to pay the poor, but with a feminist focus. It's an idea that has come from an incredible UK group called the Women's Budget Group.

What they found is that the austerity budgets, particularly in the UK, took from women at something like two or three times the rate that they took from men, and that means the budgets took from families, took from local care, and put the money went into tax cuts for high-income earners, who - surprise, surprise - were all blokes. So if we had a feminist economy – a plan F, which is what the Women's Budget Group put forward - you could pay for this through the Maid Marian tax, which is a taxation on financial transactions.

The amazing thing is this tax already exists, and in a very unlikely location: Wall Street. Right? In 1906, a financial transactions tax was introduced in New York City. At the time, everyone went nuts. They said, "That's the end of Wall Street, all of the business is going to flow away." Spoiler alert: that didn't happen. Wall Street operated absolutely fine and a whole lot of

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money went back into the New York economy, until 1981. In 1981 – the beginning of the Reagan era – everyone thought they were flush, and they decided to return all of those receipts from the financial transactions tax back to the people who were paying them.

We're talking about a tiny payment; 0.005 of a per cent of any transaction, particularly for transactions in derivatives – those high-frequency trades that have led to a hyper-financialised economy, which alongside some of the other extractive forms of our economy lead to really perverse and antisocial human outcomes. The amazing thing is that right now there are two separate bills in the New York Senate seeking to reintroduce this tax, and it's estimated that that will generate about \$20 billion a year that will go back into funding some of the services, like the subway, that have been hugely under-resourced over the past few years. So it can be done.

I now want to talk about something that's even older than this New York financial transactions tax, and that's Islamic finance. The fundamental thing about Islamic finance is that it's about money serving a proper purpose. You might have heard that in Sharia-compliant, or Islamic, finance, there's a prohibition on earning interest. There isn't, though – just a prohibition on making money out of unproductive or exploitative activity. There's also a very strong compulsion or requirement to make sure your money is doing good in the world; it's not just about making sure your money isn't extracting, but that your money is giving back.

There is a huge market for this. Islamic finance is one of the fastest growing forms of finance. Many people around the world are coming online into the Islamic finance sector, and yet in Australia not a single one of our Australian deposit-taking institutions caters for Islamic finance. And there's a huge benefit to society from Islamic finance. There are a few different kinds of funding available through Islamic finance. At this time of year there's an alms-giving component called zakat that people of the Muslim faith provide. That usually goes into charity services, but in Indonesia that zakat is being used to fund projects that are in line with achieving the SDGs right now.

Another form of finance is called sukuk – a sort of co-investment or public-private partnership. It's an alternative to bonds that's being used in

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Malaysia to fund a whole bunch of renewable energy installations that might not have received financing in other ways. And this is an absolutely enormous part of the economy. It's really not niche. Twenty-two per cent of the world's population are Muslim, and there are \$2.5 trillion dollars in Islamic finance funds under management today – a huge source of finance just waiting for us to learn from those practices. I hope we can use some of that Islamic finance in ways that will lead to great social and environmental outcomes.

Okay, so we've talked about reforming finance and how we can use that to pay for a fairer world. One of my other favourite areas of exploration is around land and cities. When we think about the sort of core assumptions, the deep code that goes unquestioned in Australia, discussions about land and land value are pretty high up there, starting with the fact that we are all on Aboriginal land and we haven't had a process of treaty and we haven't had a process of truth-telling around that land.

But building on that, there is an unquestioned set of assumptions about ownership and mum and dad investors and this idea that investing in land is the safest bet there is. Well, just last year a lot of people learnt that being a mum and dad investor and relying for your super or your retirement funding on that rental property isn't actually the safest bet there is. There are better ways for us to deal with land and to provide housing that centre on people and lead to more prosocial outcomes.

There are a lot of models that we can look at from all over the world, and a lot of creative industries models that we can learn from. One model from Switzerland centres around a cooperative use of a building centred on top of a community land trust use of the land. The idea here is that you can build the building and run the organisation without having to own the land, which is owned in trust and made affordable in perpetuity for either creative or social or community uses. That's a model that works really well in many different parts of the world, and I'm trying to start this off in Sydney as well.

The other thing that we have to do is question the idea of highest and best use. When we see development in our cities, people talk about this idea of highest and best use, and invariably it's the use that's going to extract the

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biggest payday for a property developer or an investor and it's most likely to be a two-bedroom, two-bathroom apartment building block, whether or not that actually serves the needs of that community and whether or not that actually is the kind of housing or use that is useful in that community.

So, what if we actually questioned those assumptions about highest and best use? We were talking earlier about how house prices just go up and up and up - well, they don't go up because of any particular innovation or creativity on the part of the landowner. They go up because landowners are extracting the productive capacity, the social efforts, the value of the great barista, the value of the great bar down the road, and they're turning it into land value. And where I live, it goes up about 5% every year.

So, what if we could take some of that and reinvest it in the local economy and use it to pay for some of the ends and the needs that the market won't provide for – things like affordable housing, social housing, public space and parkland, creatively productive space, places to put your new business or your community organisation?

There's a great model that we can look at from the UK, actually, and it's an idea called the Network of City and Downlands. Basically, what this model says is: if you have an uplift in property values - let's say your three-storey building is given planning approval to become a 10-storey building - well then, three floors' worth of that value is actually owed back to the local community and should be taken and put into a trust that can then be locally decided and determined how that money should be spent in the local economy. And that could be, as I said, providing housing, providing space, or even providing grants to organisations that provide the social infrastructure that enabled that value uplift to be realised.

These things can be done. As Andrew said, these are already at work in different parts of the world, but in Australia we still have a paucity of policy options to choose from. We need to put some of these ideas into circulation, and then we need to reclaim and refocus the social decision-making tool that is politics to get those outcomes. Look, that's why I got involved in politics - not because it's that much fun, I have to tell you.

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I come from a creative-sector background, and I'd never really expected that I would be up here talking about land value and procurement and those sorts of things. But then I realised that the only way that we get change is when we have people who aren't the usual suspects getting up and saying, "Do you know what? There's a different way that things could be done."

We need a lot of people like you in politics. We need a lot more people from the community sector who've had that life experience. We need people from diverse backgrounds in politics, because the lack of imagination in the room comes from a lack of diversity in the room. So, now I'm all about procurement, I have to tell you. That's my next story.

There's this fantastic model which is called community wealth building. Basically, the idea is about keeping money circulating in the local economy, and there's a whole bunch of great organisations all over the world who do this. There's CLES in the UK, there's the Cleveland Model in the US, and I've got the City of Sydney to adopt a community-wealth-building approach.

In the City of Sydney, we spend \$500 million a year on services and goods, and 54% of it is spent locally. I want to see that percentage increase, but I also want to see that money being spent with social enterprises, with community organisations, with cooperatives, with a diversity of business models that distribute wealth - pre-distribute wealth - back into the community in more constructive ways.

There's a town in the north of England called Preston. It's a town of about 400,000 people. They really got kicked during the Thatcher years and then they got kicked again after the GFC. With austerity, the UK Government basically bailed out the financial sector and then just kicked local communities and the community sector. In 2011, Preston found that its grants from the central government were cut by 50%. They were like, 'Well, what are we going to do? Our community is in more need than ever before, and we have less money to do anything with'.

What they decided to do was to interrogate their own spending and to set their own standards about only working with businesses and organisations

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that would pay a minimum wage. The banks had evaporated from the high street, so they encouraged and supported a mutual society to come and set up in their town. They made sure that their own spend would go back into their local economy, and they got the universities and the hospitals and other anchor institutions to work with them.

And that work has resulted in all of this extra economic activity staying in the local economy and going to real businesses –not businesses located in tiny islands offshore, but businesses that have local roots and are locally accountable. And there’s a market there that the Preston City Council have built that’s all about showcasing and connecting people with local businesses.

Why I point to this in my politics section is because I think that in order to give people some confidence in politics, to be less disillusioned with politics, we have to prove that politics can have a positive impact in people's lives. It's absolutely true, and absolutely justified, that people have a trust deficit in politics and politicians when there's been no tangible benefit in their lives. We have to demonstrate the lived benefit of politics that actually works for people.

The other thing I'm really excited about is something that we did in late 2019 at the City of Sydney – a process called deliberative democracy that’s about being active citizens in our communities. It was a citizen's jury. We worked with an organisation called the New Democracy Foundation to send out 10,000 letters around the city, we got back a whole bunch of responses, and then we selected (through a process called sortition) 50 people who were demographically representative of the city, by age, gender, location, education, wealth status, all of those sorts of things. This group of 50 Sydneysiders were then twenty-five hundred ideas that we'd sourced from the local communities, a whole bunch of info, and access to experts. And we said to them, “You set the priorities, you tell us what matters.”

And they came back with a document that just gives me goosebumps every time I think about it, because even though we're pretty progressive – we're really focussed on climate action, we were the first government in

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Australia to be a hundred per cent climate-neutral, we are now powered a hundred per cent by renewal energy, we've got a really strong social focus – despite all that, they were way more ambitious than us. They told us that they didn't just want sustainability, they want a regenerative economy. They want an economy that gives back more than it takes, a city that cleans the air and water. They told us that we had to centre truth-telling and First Nations justice at the beginning of everything. They told us they wanted culture and nightlife at the core of everything.

They looked very different to the people I normally hear from in my inbox, I have to tell you. And that's because this group is more representative of Australia and Australians. Because, I have to tell you, the people who stand for election, and the people who tell politicians what they want, are actually older, richer and wider than most Australians. And that's on all of us, right? We all have to be active citizens and stand up and argue and be specific about the kind of future we want, and we have to make sure that the people we elect to represent us are really acting in our interests.

I think this process was fabulous, but there's an even bigger version of this process which I want to leave you with, and that's a process that took place in France last year. Who's heard about the Citizens Convention on Climate? Emmanuel Macron, not a political radical by any stretch of the imagination, was confronted by the yellow vest movement, which basically arose when people thought that environmental taxes and carbon taxes were having a disproportionate impact on people with lower incomes. These were people who needed to drive, and so they put on the yellow hi-vis vests that they have to carry inside their cars and they stormed the streets.

And Macron said, "I don't know what to do with this. Here you go: you guys decide the climate policy." And they did. 150 French citizens aged 16 to 80 were selected, at random – by text message, actually, this time – and were entrusted with writing France's climate policy. They were told that they had to reduce France's climate emissions by 40%. They sat down during the pandemic and over the course of nine months they did just that. They drafted 149 hugely ambitious recommendations that were then presented

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to the French Parliament, and Macron agreed to present 146 of those in one omnibus bill.

Now, those policy ideas were incredible. They were about funding the retrofitting of every building in France for energy efficiency and for creating green jobs of the future. They were about banning short-distance air travel where the same route was served by a trainline – and that just happened. And the other thing that they did was to demand that France change the Constitution so that the first article of the Constitution enshrines the crime of ecocide and a requirement that the French Government protect biodiversity and the natural environment.

That's what citizens do. That's how brave and courageous and generous and farsighted citizens are. Our job, as citizens, is to make our politicians put citizens in charge, and there are systems that we have available and places we can learn from all over the world that do this. So, yes, politics is totally screwed in Australia right now. We are choosing from totally awful options.

But we are better, we are more generous and more courageous than that, but you know what we have got? We've got this thing called deferral syndrome in Australia, where we go: "I elected that guy, so he's going to do it for me." He's probably not going to do it for you. We all have to step up and model the future and demand the future that we could have, and we have to draw from a greater range of resources and examples to demand a future that we actually want to live in.

Thank you.

**ENDS**

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