



# Prosper Australia

## ANNUAL REPORT 2017 - 2018

[www.prosper.org.au](http://www.prosper.org.au)

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## WHAT WE STAND FOR

### OUR VALUES:

#### LAND AND NATURAL RESOURCES ARE OUR COMMON WEALTH

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Everyone has an equal right to use and access land and natural resources. This is a basic and inalienable birthright, conferred by our ancestors and extended to future generations. Each of us inhabit this planet only briefly; we are equally dependent upon its support of our lives.

To the Earth's natural bounty – its ecosystems and mineral endowment –we add community created wealth. Our economy is a complex system: many parts working to achieve individual freedom and happiness. Our cities and towns thrive where there is a multitude of complimentary activity. The value of land and natural resources is a financial reflection of this interconnectedness.

#### COMMUNITY GRANTED PRIVILEGES SHOULD BENEFIT EVERYONE. ECONOMIC RENTS ARE THE PROPER SOURCE OF PUBLIC FINANCE

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As we increase prosperity, safety and health, the value of land in the most productive areas increases. This is not due to the efforts of any particular person. It reflects the abundance we create through our collective activities.

The right to use or possess land and natural resources is a privilege granted by the community. When government grants license to use scarce natural resources, to hold productive locations, to protect intellectual property, or create a monopoly in the production of a good or service, we enable private gain from community-created wealth. Further, public goods like roads and schools increase the value of the land they serve and confer private benefit on holders.

The return to finite natural resources and monopoly is economic rent. Rents are generated in common – often by direct public subsidy – and are the proper source of public finance.

#### EARNED INCOMES BELONG TO THE EARNER

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The price of land reveals the value of the benefit to which *all* contributed and are entitled to share. This is distinct from the value we add as producers, which belongs to the possessor in individual right. The value of land is distinct from the value of bricks and mortar, the inspiration of the architect, or the skill of the builder.

Unlike economic rents, the gains to labour and enterprise arise from individual effort, to be privately enjoyed as the rightful property of the producer. In so far as everyone has access to land and natural resources, each of us is entitled to enjoy the results of our efforts.

## OUR VISION:

### PROGRESS *WITHOUT* POVERTY

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We see an economic system where proper stewardship of the land gives access to citizens who will best use it. There is no need to tax enterprise, work or savings. Involuntary poverty disappears and the enormous common wealth we create elevates us further.

## OUR MISSION:

### FAIR AND EFFICIENT REVENUE POLICY

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To shift the tax burden from labour and capital to the economic rents in government-granted privileges.

## WHAT WE ARE DOING

### RESEARCH REPORTS:

#### TRICKLE-UP ECONOMICS: HOW TO INCREASE THE RETURNS TO BOTH LABOUR AND CAPITAL

Prosper Australia Research Institute engaged Dr Gavin Putland to update previous research into the taxable capacity of Australia's land undertaken by Dr Terry Dwyer. The report investigates the relationship of land's share of GDP against economic growth.

Putland shows that land rent as a proportion of GDP has increased from 2% in the early 1950s to more than 20% of GDP in 2017.

Since 2003, the economic rent of land has consistently exceeded 15% of GDP.

Significantly, the "Global Financial Crisis" in 2008 and the recession of the early 1990s were preceded by notable squeezes on the percentage of GDP accruing to labour and capital, as distinct from land.

The report contributed to the debate around the Turnbull government's changes to the headline company tax rate.

<https://www.prosper.org.au/wp-content/uploads/2018/04/TrickleUp22.pdf>

## Trickle-Up Economics

Assessing the impact  
of privatized land rent  
on economic growth



Gavin R. Putland

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**prosper**  
australia research institute

## SUBMISSIONS:

### VICTORIAN LOCAL GOVERNMENT ACT REVIEW

Prosper made two submissions to the Local Government Act Review process in light of proposed changes to the ratings base. If adopted, the new Local Government Act will eradicate the legislative basis for Site Value Rating in Victoria.

### THE NORTHERN TERRITORY GOVERNMENT'S REVENUE DISCUSSION

Prosper's submission focused on supporting the NT Government in shifting towards a broad based Land Value Tax and further improving existing Royalty arrangements.

<https://www.prosper.org.au/2018/03/16/prospers-northern-territory-revenue-submission/>

### VICTORIAN BUDGET SUBMISSION 2018

The key priorities outlined in our submission:

- Dampen speculative demand in the housing market
- Improve the governance of property markets
- Maximise and sustain public benefit from natural monopolies and public assets
- Curtail regressive taxation and increase fairness

[https://www.prosper.org.au/wp-content/uploads/2018/02/Vic-Treasury-submission-2018-19\\_final.pdf](https://www.prosper.org.au/wp-content/uploads/2018/02/Vic-Treasury-submission-2018-19_final.pdf)

### FEDERAL PRE-BUDGET SUBMISSION

Prosper's submission highlighted the opportunities Federal Government in five key policy priorities :

- Facilitate the shift from Stamp Duty to Land Tax
- Land Value Capture
- Capital Gains Tax Discount and Negative Gearing for real estate and land
- Company Tax shift to a more comprehensive Resource Rents Tax Regime
- Adequate resourcing of the ABS and open public data

<https://www.prosper.org.au/2018/01/23/prospers-2018-19-federal-prebudget-submission/>

## MEDIA & ENGAGEMENT:

### THE RENEGADE ECONOMISTS: 500 EPISODES AND COUNTING

Karl Fitzgerald is celebrating ten years on air with the Renegade Economists this year. The show has been running since September 4th, 2007 on Melbourne's 3CR radio.

It is probably the world's only radio show focusing on the value of the earth and the resultant scarcity rents.

Episodes are broadcast to over 4,000 people weekly. The show airs Wednesday drive time, and is repeated Fridays on 3CR at 11am. Tune in via 855AM on the dial or stream from anywhere in the world via [www.3CR.org.au](http://www.3CR.org.au). Or wherever you get your podcasts.

Karl interviews experts and insiders from Australia and around the world. Highlights include:

- Former Fairfax journo Michael West (Depreciated Optimised Replacement Costs)
- Michael Tull (CPSU)
- Teckla Melchior on the disaster capitalism James Packer & Robert de Niro are involved in on the idyllic Barbuda island (Caribbean)
- Denise Brailey (Banking & Finance Consumer Support Agency) on the Royal Commission
- Gary Flomenhoft (New Economics)
- Polly Cleveland (origins of inequality)
- Ed Dodson (rise of monopoly)



### CONTESTING VICTORIA'S PUBLIC HOUSING RENEWAL PROGRAM

Prosper joined a broad coalition of academics, housing providers, and affected residents in protest against Victoria's short-sighted Public Housing Renewal Program. The program involves privatising public land assets to renew and marginally increase the current public housing stock.

## CAMPAIGN AGAINST STATE LAND REGISTRY PRIVATISATIONS

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Prosper supporters made up the bulk of submitters to the Inquiry into the Proposed Long Term Lease of Land Titles and Registry Functions of Land Use Victoria. Prosper's submission focused on the following points:

- Potential cost of data provision,
- Absence of a coherent fiscal rationale for privatisation
- General risk to public interest when natural monopolies are privatised

Karl Fitzgerald and Jesse Hermans testified in the committee hearings. Transcripts from the inquiry make for fascinating reading.

<https://www.parliament.vic.gov.au/epc/inquiries/inquiry/944>

## PROGRESS JOURNAL

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First published in 1904, Progress remains an important platform to broadcast Prosper's message to our supporters and the wider public. This year we published four editions. Circulation has fallen to under 300 per quarter, as more of our content is available online.

UNDERSTAND THE RULES TO  
ECONOMIC ENGAGEMENT...



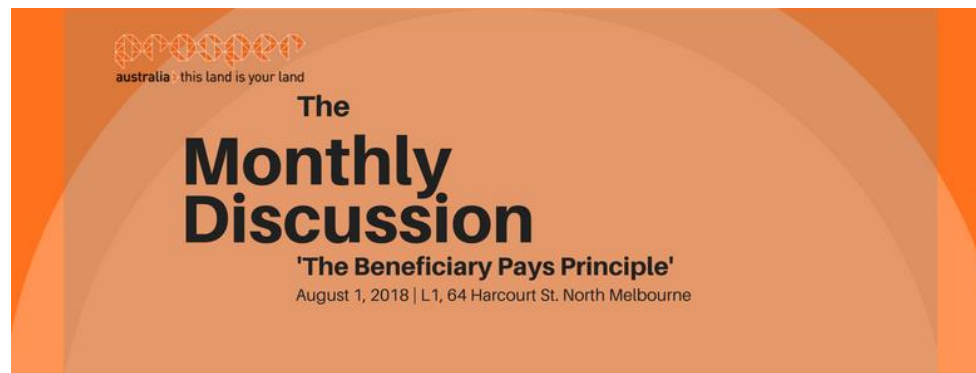
*subscribe now*  
**PROGRESS**

## EVENTS:

### THE MONTHLY DISCUSSION

In February, we commenced a regular discussion group at Harcourt Street to fill a gap in our member engagement. Some members would like to become more involved with Prosper without making the onerous commitment of Executive Committee membership. In recent times, member events have been larger public forums.

The Monthly Discussion is promoted as a small, informal discussion evening aimed at members. The event is an opportunity for members to deepen their knowledge of Georgist economics and philosophy. The regular billing enables *ad hoc* attendance. Discussion topics have included Geo-libertarianism (presented by Ed Dodson), Rentierism, Community Land Trusts (presented by Gary Flomenhoft), and 'Land Price Takes the Gains'.



### GAME OF MATES BOOK LAUNCH

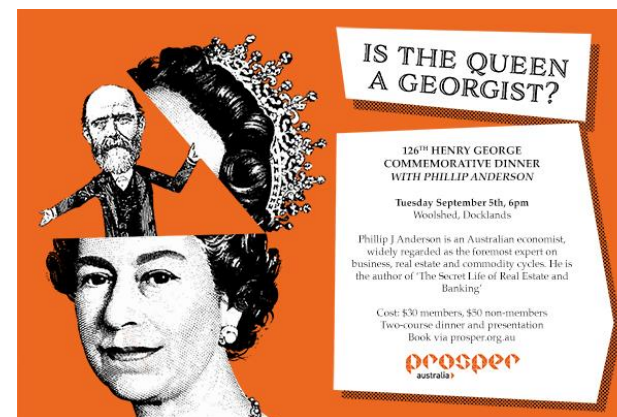
Prosper hosted the Melbourne launch of Game of Mates by Paul Frijters and Cameron Murray. Dr. Murray presented his findings of entrenched of rent seeking in Australia's political economy at RMIT University in June, 2017. The event attracted around 50 attendees.

### THE HENRY GEORGE DINNER

The 2017 Henry George Dinner was held in the salubrious surrounds of a restored WoolShed on the Docklands Esplanade. The location offered expansive views over Melbourne's speculative real estate. Phillip J Anderson gave an address entitled "Is the Queen a Georgist". Phil's name always attracts a crowd of investors hoping for insight into the property cycle. This year's dinner was attended by just under 100 supporters.

### TRICKLE-UP ECONOMICS REPORT LAUNCH

Dr. Gavin Putland presented his findings to a small audience at Harcourt Street in April. He was joined by Dr. Polly Cleveland, who gave a brief lecture on the ATCOR principle.



## WHO WE ARE

### EXECUTIVES COMMITTEE:

The Prosper Australia Executive comprises twelve committed and passionate members. The Committee sets our strategic direction and manages staff and volunteers. Many of our “execs” have been members for decades; some have edited Progress, undertaken research and networking, are active on our social media platforms, or volunteer in the office and at events.

*Members are warmly welcomed at our monthly meetings to discover ways of getting involved in the movement and perhaps joining the executive. Members are required to have been financial for two years in order to join the Executive Committee*



## STAFF:



### KARL FITZGERALD

Projects Director and Director of Prosper Australia Research Institute. Karl initiates research and campaigns that highlight the opportunities for reform. Karl's weekly radio show, the Renegade Economist has been expounding alternative economics for ten years. Karl holds a Bachelor of Economics from Monash.

### EMILY SIMS

Office and Memberships Manager. Emily holds a Bachelor of Arts (Political Science) from Monash, and a Master's of Urban Planning from the University of Melbourne. She is a passionate about the role of economic geography in social and environmental justice.

### JESSE HERMANS

Policy Director. Jesse is completing a Bachelor of Science (Civil Systems) at Melbourne University. He has a keen interest in Political Economy, and is an active MMT advocate on the board of Fair Money Australia. In his role at Prosper Jesse writes submissions, engages in research, presentations and engagement with stakeholders. He has holds a deep interest in the academic and technical detail of Prosper's reform agenda.

## INTERNS:



FREDERICK SUBERE ALBAWY

Frederick joined us from Perth where he is involved with the Georgist Education Association of Western Australia. Fred is currently undertaking studies in Software Engineering and Linguistics. During his internship, we brainstormed and implemented a short campaign against the removal of Site Value Rating in Victoria. Fred co-authored our submission to the final consultation process, as well as improving our Local Government Rates primer <https://www.prosper.org.au/primers/local-government-rates-primer/>



## WHAT WE'RE WORKING WITH

### MESSAGE FROM THE TREASURER:

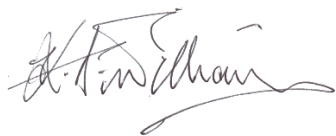
After a number of financially challenging years (mostly due to being “homeless”), Prosper has enjoyed a second successive year in which we achieved a surplus of over \$30k - to be precise, almost \$32k for the 2017-18 year.

This financial result has been audited and cleared by the auditors Rundles. Now that our finances are in much better shape, the executive decided to resume having our financial statements independently audited as a matter of good practice.

We had not budgeted to achieve such a healthy surplus. The surplus arose because of David Collyer's unexpected departure which considerably reduced our wage expenses. We have employed Jesse Hermans on a casual basis as he is available. The other significant impact on our bottom line resulted from Richard Meredith, our casual strategic consultant, not being as available as he anticipated.

The other notable financial matters:

- Occupancy expenses of over \$8000 (historically this expense was covered the Henry George Club endowment)
- A website rebuild of almost \$8k - about two-thirds of total anticipated costs. The executive is very pleased with progress to date, which has cost us - through a sympathetic service provider - much less than commercial rates. You will see why we're so pleased in a few months, we trust.
- As with recent years, research expenses now fall to PARI. PARI has been steadily building its resources thanks to the generous donations of our supporters.
- Only three (not four) issues of Progress were produced last year. Karl Fitzgerald is the new editor, and we are on track for the four annual editions we require.



Karl Williams, Hon. Treasurer, July 26<sup>th</sup> 2018

#### The Henry George Foundation of Australia

In 1928 Dr Edgar Culley established the Henry George foundation (Australia) with a donation of £1,000

*“...used for the purpose of promulgating and spreading the knowledge of the teachings and economic principles of Henry George as elaborated by him in ‘progress and poverty’ and other of his works...”*

Over the years, the HGFA has grown through bequests and donations from passionate supporters committed to achieving Henry George's vision for economic justice.

Today the HGFA carries on that mission by funding prosper and other organisations around Australia, including the Association for Good Government, NSW

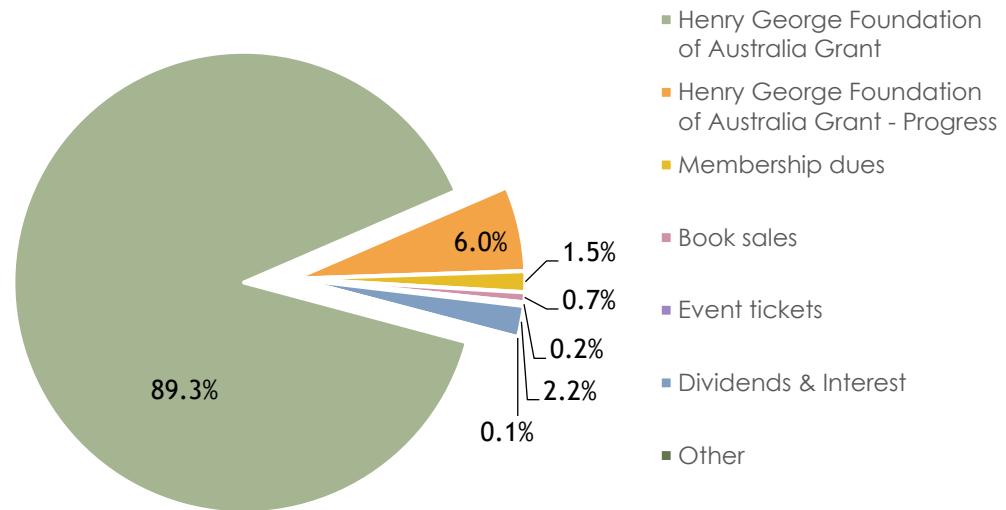
PROSPER AUSTRALIA FINANCIAL YEAR 2017-2018

| ANNUAL INCOME   |                     |
|---|---------------------|
| Henry George Foundation of Australia Grant            | \$195,000.00        |
| Henry George Foundation of Australia Grant - Progress | \$12,999.96         |
| Membership dues                                       | \$3,198.43          |
| Book sales  | \$1,530.02          |
| Event tickets   | \$535.12            |
| Dividends & Interest                                  | \$4,801.50          |
| Other   | \$190.89            |
| <b>Total Income</b>                                   | <b>\$218,255.92</b> |
| Cost of Books Sold                                    | \$1,542.00          |
| <b>Gross Profit</b>                                   | <b>\$216,713.92</b> |

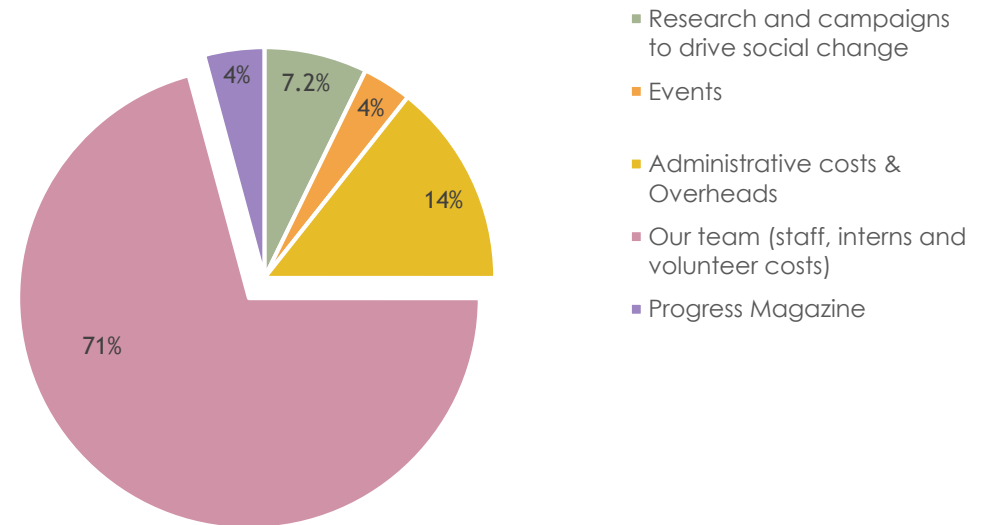
| ANNUAL EXPENSES                                      |             |
|--|-------------|
| <i>Research and campaigns to drive social change</i> |             |
| Renegade Economist on 3CR                            | \$1,799.78  |
| Communications and Marketing                         | \$2909.00   |
| Website Design and Development                       | \$7,672.73  |
| Research Reports                                     | \$110.01    |
| Conferences and coalition building                   | \$895.15    |
| <i>Events</i>  |             |
| Henry George Dinner                                  | \$4,467.55  |
| Members Events                                       | \$1,907.01  |
| <i>Administrative costs &amp; Overheads</i>          |             |
| Occupancy & fit out expenses                         | \$10,582.40 |
| Finance & Banking                                    | \$528.27    |
| Office expenses                                      | \$3,958     |
| Office equipment inc. depreciation                   | \$11,259.33 |
| Misc.  | \$220.35    |

|  |                     |
|--|---------------------|
| <i>Our team (staff, interns and volunteer costs)</i> |                     |
| Total staff salaries and oncosts                     | \$123,450.06        |
| Staff & Executive expenses                           | \$7,671.42          |
| <i>Progress Magazine</i>                             |                     |
| Progress production costs                            | \$7,792.85          |
| <b>Total Expenses</b>                                | <b>\$185,223.91</b> |
| <b>NET PROFIT/(LOSS)</b>                             | <b>\$31,490.01</b>  |

## PROSPER - INCOME



## PROSPER - EXPENSES



PROSPER AUSTRALIA RESEARCH INSTITUTE FINANCIAL YEAR 2017-2018

| ANNUAL INCOME            |                    |
|--------------------------|--------------------|
| Donations                | \$32,895.31        |
| Memberships              | \$109.09           |
| Bank Interest            | \$186.02           |
| <b>Total Income</b>      | <b>\$33,190.42</b> |
| ANNUAL EXPENSES          |                    |
| <i>Administration</i>    |                    |
| Sundry                   | \$34.35            |
| Fundraising              | \$55.00            |
| Finance & Banking        | \$30.96            |
| <i>Data &amp; Charts</i> |                    |
| RP Data subscription     | \$1,475.48         |
| <i>Research Reports</i>  |                    |

|   |                    |
|---|--------------------|
| Classical Components of GDP project     | \$6,420.00         |
| Renters Missing Out on the Cake project | \$1,680.00         |
| <b>Total Expenses</b>                   | <b>\$9,695.79</b>  |
| <b>NET PROFIT/(LOSS)</b>                | <b>\$23,494.63</b> |

## PROSPER AUSTRALIA RESEARCH INSTITUTE DONORS

WE ARE GRATEFUL FOR THE GENEROUS FINANCIAL SUPPORT OF THE FOLLOWING INDIVIDUALS:

### (\$1000+)

Damien Naidoo

Karl Williams

### (\$500+)

Sally Kortekaas

Andrew J Priddle

### (\$100+)

David Payne

Peter Lewis

Geoff Forster

John Young

Theo Sotiriadis

Mark Lofts

Darren Wilson

Jessie Scott

Marion Cincotta

Sandy Sikacek

Stephen Bourn

### (\$10+)

Neil Gilchrist

Peter Malane

Cameron Murray

Jim Morris

Gerard & Marisa Ramnac

Thomas Maxwell

Paul Madnick

John Massam

John Webber

Reg Tydell

David Adamson

Lyle Allan

Helen Stowasser

Graham Iversen

Bruce Errol

John Jamieson

John McPhail

June Ayres

John Dowe

Pacquita Jean Harcus

Ana Paula

Bill Mildren

Guido Cotrim

Don Stokes

Paul Meleng

Mark Gibbons

