



ANNUAL REPORT 2018 - 2019

WHAT WE STAND FOR

We have everything we need. Our earth, and the bold achievements we have attained together through human progress is more than enough to create a fair society where every person can benefit from our shared wealth to live fuller, happier, and safer lives.

Our society is at a crossroads. We are watching technology advance in leaps and bounds. Yet, inequality is increasing and our earth's resources are being depleted by those who wield monopoly power.

Many of us who contribute to the economy struggle to pay our bills. Meanwhile, landholders are free to put their feet up and reap billions from the spiralling demand on our earths' resources.

At Prosper, we aim to hold up a light to the dark corners of our economic system that aren't working for the common good anymore. We talk to policymakers, politicians and the public about the elephant in every room: tax.

We firmly believe that value created by the community such as the price of land should be taxed and returned to the community that created it.

WHAT WE ARE DOING

Research Reports:

SPECULATIVE VACANCIES 9: IMPEDING THE MARKET

Since 2007 Prosper Australia has investigated the role of vacant land and housing on housing affordability in Melbourne.

Water data indicates 60,901 residential properties were vacant in 2017. This equated to a speculative vacancy rate of 3.9% for all residential property. Absolute vacancies using zero litres of water revealed 21,326 residential properties at 1.3%. The absolute vacancy finding of 21,326 using zero litres per day (LpD) demonstrates that more than \$20 billion in vacant property existed at the height of Melbourne's property boom.

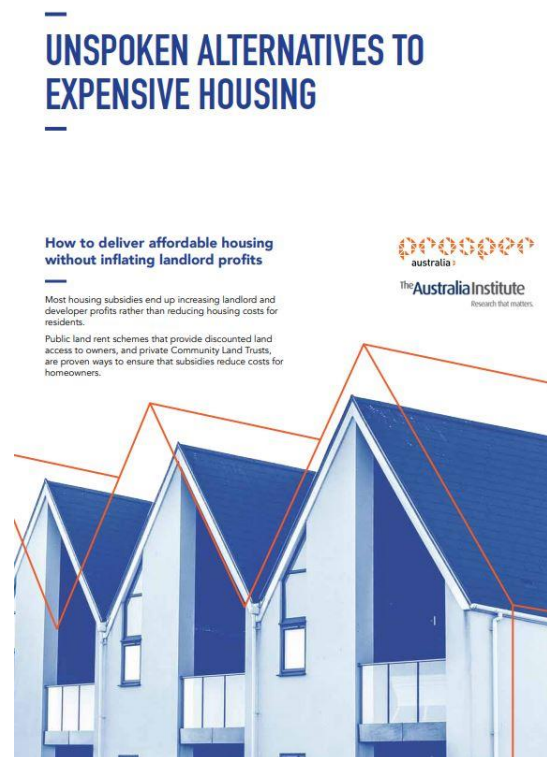
Author Karl Fitzgerald's findings were widely reported in the media including The Australian Financial Review, ABC, Macrobusiness.com, SBS The Feed, The Age & The Sydney Morning Herald. Karl was also interviewed by ABC Television.



UNSPOKEN ALTERNATIVES TO EXPENSIVE HOUSING

Prosper Australia Institute and The Australia Institute jointly released research into overlooked policy options for affordable housing. Most housing subsidies end up increasing landlord and developer profits rather than reducing housing costs for residents.

Author Dr. Cameron Murray presents two proven mechanisms for delivering real cost reductions for homeowners. The ACT's Land Rent Scheme is a publicly-run housing system that ensures residents get a discount on the market price of land, while providing secure long-term tenure, just as with private ownership. Over 3,200 households in the ACT have taken advantage of the scheme, saving \$69 million on housing costs since its inception in 2008. Community Land Trusts (CLTs) are a privately-run housing scheme that provide secure long-term housing at below market prices. The CLT is an incorporated entity, much like a 'land body corporate', that inserts a layer of control over property ownership for land and dwellings within the trust. CLTs can reduce the cost of housing compared to the market price by more than 25%.



Submissions:

ECONOMIC REGULATION OF AIRPORTS INQUIRY SUBMISSION

Productivity Commission's inquiry into the economic regulation of airports focused on regulatory responses to the existing private leases.

As a matter of principle, Prosper opposes the privatisation of natural monopolies - including airports. Natural monopolies are not subject to the dynamic of market so beneficial to commerce. Natural monopolies enable the abuse of market power and extraction of monopoly rents for private profit. This is antithetical to the public interest. Australia's airport corporations appear to be engaging in this behaviour.

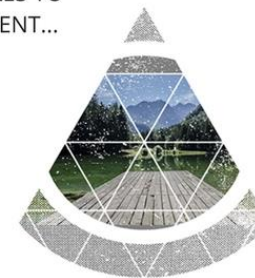
Public ownership of airports would once again allow direct control over optimal investment, pricing decisions and dividends taken by Government. However, the terms of reference provided by the Productivity Commission were restricted to regulatory responses to the existing private leases.

We proposed the following solutions to reduce market power in car parking and landslide access:

- Mandate that private airports be obligated to provide free landslide access to public mass transit options
- Raise levies/contributions, or mandate proportions of profits (based on EBITDA) from major airport car park and landslide revenues be directed into subsidising the development and operation of low cost public mass transit alternatives.

Full text of the submission is available via the Productivity Commission https://www.pc.gov.au/_data/assets/pdf_file/0010/231121/sub019-airports.pdf

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ECONOMIC ENGAGEMENT...



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PROGRESS

Media & Engagement:

THE RENEGADE ECONOMISTS RADIO

After 572 weekly shows over 11 years, the show has gone monthly in 2019. Interview highlights included Bruce Robertson (IEEFA), Peter Meakin (South Africa), Yannis Tziligakis (HGSSS), Hudson, Hartzok, Gaffney, Harrison and Murray.

Over the course of the next year, Karl will present a 12-part Georgist podcourse available online.
<http://www.earthsharing.org.au/2019/05/the-georgist-podcourse/>

PROGRESS JOURNAL

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 400 per quarter, as more of our content is available online.

Progress #1126, *The Truth about High Land Prices*, highlighted the Kavanagh-Putland index. The KP Index is an indicator developed by PARI researchers Bryan Kavanagh and Gavin Putland.

NEW ECONOMY NETWORK AUSTRALIA

The New Economy Network Australia (NENA) is a network of individuals and organisations working to transform Australia's economic system. Emily Sims & Karl Fitzgerald presented a session on Tax and Resilience at the annual NENA conference held in Melbourne.



Events:

THE MONTHLY DISCUSSION

The Monthly Discussion is a small, informal discussion evening open to the public. 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 over the past 12 months have included Modern Monetary Theory, Georgism and Free Trade, the Public Return on Intellectual Property, and Who Owns Outer Space?

SUSTAINABLE LIVING FESTIVAL.

Karl spoke to 40+ people about the need for land rent initiatives like the Canberra Land Rent scheme as part of a panel hosted Co-Housing Australia. Prosper had a stall at the SLF Big Weekend Market. The weekend provided an opportunity to connect with other NGOs and interested members of the public.

127TH HENRY GEORGE DINNER

Dr. Cameron Murray addressed an 80 strong crowd on the subject of his report for PARI and The Australia Institute. In his speech, *Housing Policy Fraud: An Australian Story*, Dr. Murray pilloried the “supply side distraction.” He spoke to the possibility of providing discounted access to land through public land rent schemes, or by facilitating the broad adoption of community land trusts. A full recording and transcript is available on Prosper’s website and youtube page.

THE 127th ANNUAL HENRY GEORGE COMMEMORATIVE DINNER

**Tues 4 Sept
2018
from 6pm**

The Brunswick
Mess Hall
400 Sydney Rd,
Brunswick

**HOUSING POLICY
FRAUD**

An Australian Story

Presented by **Dr Cameron Murray**
(Co-author of *Game of Mates*)

prosper
australia prosper.org.au

The poster features a central illustration of a white plate with a black center, flanked by a silver fork on the left and a silver knife on the right. The text is arranged around and on the plate. The Prosper logo is in the bottom left corner.

WHO WE ARE

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.

Lucy Allan

Strategic Communications Manager. Lu is an experienced campaigner and communications expert. From writing press releases on the kerbside of military bases and MP offices for a broad range of activist groups, to rolling out a Federal election campaign, her experience is colourful and unique. Lu holds a Bachelor of Arts (Psychology) and a Master's in International Development from LaTrobe.

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. Jesse brings his keen eye for detail to Prosper's formal submissions and research.

Emily Sims

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

Interns:

Evan Haynes

Evan is currently undertaking a Masters in International Trade at Monash University. During his internship, he wrote two short articles on Georgist perspectives on free trade, and trade restrictive practices within the Australian natural gas industry. Evan presented on Free Trade at our Monthly Discussion in February.

Executive committee:

The Prosper Australia Executive comprises of up to thirteen 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. The Board is elected at our AGM in July. The committee meets monthly, and oversee the work of four staff.

After thirteen years of service on Prosper's board, we bid farewell to long serving Vice President, Andy Moore. We also lost our secretary, Bill Payze, to the green pastures of the Top End. Bill is now working as a surveyor for the Northern Territory government.

Members are warmly welcomed at our monthly meetings to discover ways of getting involved in the movement and perhaps joining the executive.

Prosper Australia is actively seeking a regular member to join our executive committee. We welcome applicants who can increase our fundraising capacity. Previous experience with government agencies, research organisations and/or think-tanks will be highly regarded.



From top left: Bryan Kavanagh, Catherine Cashmore (President), David O'Rourke (Vice President), Karl Williams (Treasurer), Anne Schmid, Richard Meredith (Acting Secretary), James Webster, Bohdan Kyzuk

WHAT WE'RE WORKING WITH

Message from the Treasurer:

Past Year. Prosper enjoyed a solid financial year, with our bottom line showing a surplus of almost \$9800 and with cash assets exceeding our liabilities (mainly super and payroll provisions) by more than \$70k.

Scrolling through the P&L, there are a number of matters to highlight:

- The ongoing surge in membership to Prosper makes very little difference to our financial position because of our low fees - in fact, the admin costs of dealing with new members clearly exceed our subscription income.
- 3CR charges have fallen, reflecting the decision to scale back the Renegade Economists radio program from a weekly to a monthly basis in order to focus our resources elsewhere.
- Seminar costs are up by over \$2k as a result of Prosper's presence again at the Sustainable Living Festival.
- The executive decided as a matter of good governance to resume our long practice of having external auditors verify our records, and so audit fees of \$2500 were paid last year relating to the 2017/18 financials.

Progress costs have doubled as we've boosted the number of editions. Salaries, taking into account payroll provisions, are little changed this year. The Henry George dinner has had net costs blow out to an unacceptable expense of nearly \$7k. Steps are in place to ensure the event is less expensive this year.

On PARI. Prosper's Research Institute incurred a deficit of just over \$5k last year, though it's cash reserves of nearly \$80k mean PARI stands in a strong financial position. PARI is dependent on large donations, but even if such donations cease tomorrow PARI could still continue to commission its current level of research for at least 3 years. Please consider making a donation to support our work.



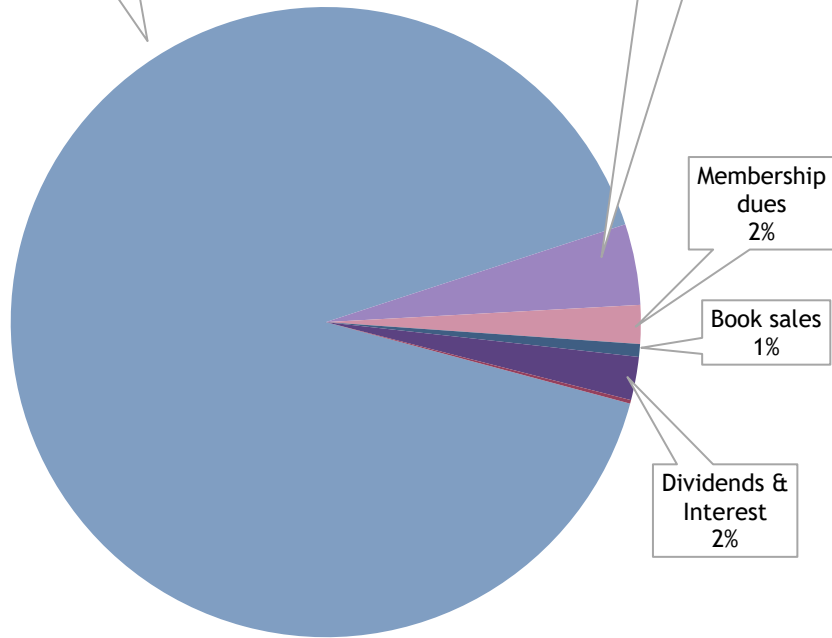
Karl Williams, Hon. Treasurer, 14 June 2019

Prosper Australia Financial Year 2018-2019

Annual Income	2018 -19	2017-18
Henry George Foundation of Australia Grant	\$175,000.00	\$195,000.00
Henry George Foundation of Australia Grant - Progress	\$8,000.08	\$12,999.96
Membership dues	\$3,821.00	\$3,198.43
Book sales	\$1,262.73	\$1,530.02
Event tickets	\$0	\$535.12
Dividends & Interest	\$4,275.03	\$4,801.50
Other	\$352.40	\$190.89
Total Income	\$192,711.86	\$218,255.92
Cost of Books Sold	\$993.59	\$1,542.00
Gross Profit	\$191,718.27	\$216,713.92

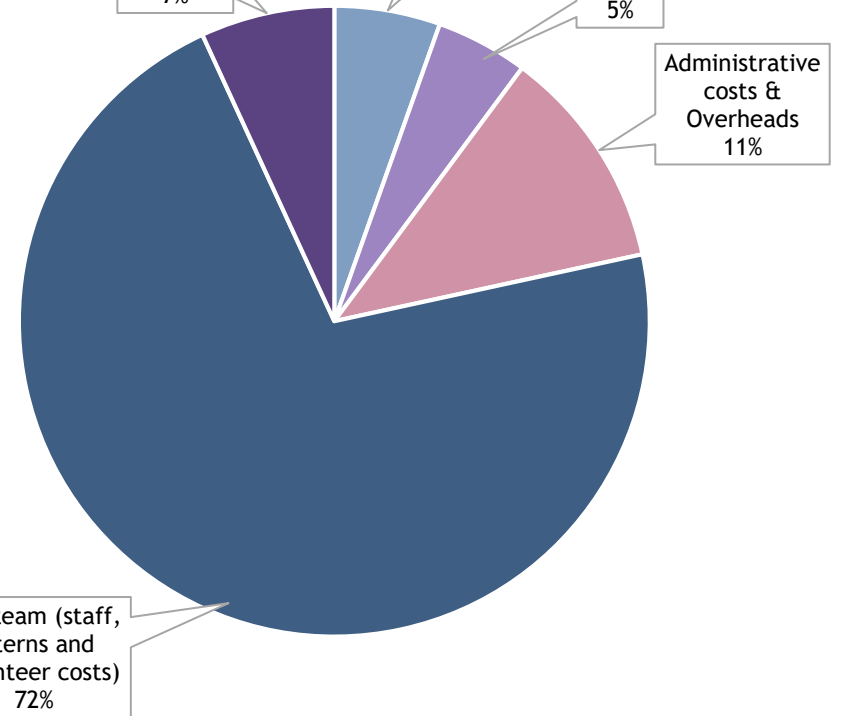
Annual Expenses	2018 -19	2017-2018
Research and campaigns to drive social change	\$9,883.20	\$13,386.67
Events	\$8,595.13	\$6,374.56
Administrative costs & Overheads	\$20,807.93	\$26,548.35
Our team (staff, interns and volunteer costs)	\$130,144.63	\$131,121.48
Progress Magazine production costs	\$12,497.35	\$7,792.85
Total Expenses	\$181,928.24	\$185,223.91
Net Profit/(Loss)	\$9,790.03	\$31,490.01

Henry George
Foundation of
Australia Grant
91%



Prosper - Income

Progress
Magazine
7%



Our team (staff,
interns and
volunteer costs)
72%

Prosper - Expenses

Prosper Australia Research Institute Financial Year 2018-2019

Annual Income	2018 -19	2017-18
Donations	\$18,195.02	\$32,895.31
Bank Interest	\$576.38	\$186.02
Memberships	\$0.0	\$109.09
Total Income	\$18,771.40	\$33,190.42
Annual Expenses	2018 -19	2017-18
Administration	\$1061.20	\$120.31
Data	\$6,744.00	\$1,475.48
Research Reports	\$15,282.17	\$8,100.00
Total Expenses	\$23,087.37	\$9,695.79
NET PROFIT/(LOSS)	(\$4,315.97)	\$23,494.63

Prosper Australia Research Institute is the entity established to fund our research. All donations above \$2 to PARI are tax deductible.

PARI is administered by the Prosper Australia executive. Research grants are provided by PARI's independent Research Committee, consisting of Leo Foley, Derek Mortimer, Dr Chris Martin (UNSW) and Karl Fitzgerald.

For further information, contact Karl Fitzgerald via 03 9328 4792 or karl@prosper.org.au

PROSPER AUSTRALIA RESEARCH INSTITUTE DONORS

We are grateful for the generous financial support of the following individuals:

(\$1000+)

Karl Williams

Tony Fitzgerald

Gerard and Maria Ramnac

Trevor Muller

(\$500+)

Sally Kortekaas

Bill Payze

Effie Antoniou

Timothy Kennedy

June Ayres

Bruce Every

(\$100+)

John Young

John McPhail

Mark Lofts

Helen Stowasser

Richard Harper

Richard Meredith

Miroslaw Kurcke

John Massam

Sandy Sikacek

Joe Siegel

Stephen Bourn

Sandie Ball

James Webster

(\$10+)

David Hutchens

Lyle Allan

Andrew Medlin

Margaret Keane

Mark Gibbons

John Dowe



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