

2021

ANNUAL REPORT

www.prosper.org.au



WHO WE ARE

STAFF



**EMILY
SIMS**
RESEARCH



**KARL
FITZGERALD**
ADVOCACY



**JESSE
HERMANS**
POLICY

EXECUTIVE COMMITTEE



**CATHERINE
CASHMORE**
PRESIDENT



**RICHARD
MEREDITH**
SECRETARY



**JAMES
WEBSTER**
TREASURER



**BRYAN
KAVANAGH**



**ANNE
SCHMID**



**PAUL
LAU**



**KAT
CHISHKOVSKY**



**LOUISE
JOHNSON**

Prosper is an independent research institute working towards a fairer and more prosperous economy via a reformed tax system.

PRESIDENT'S REPORT

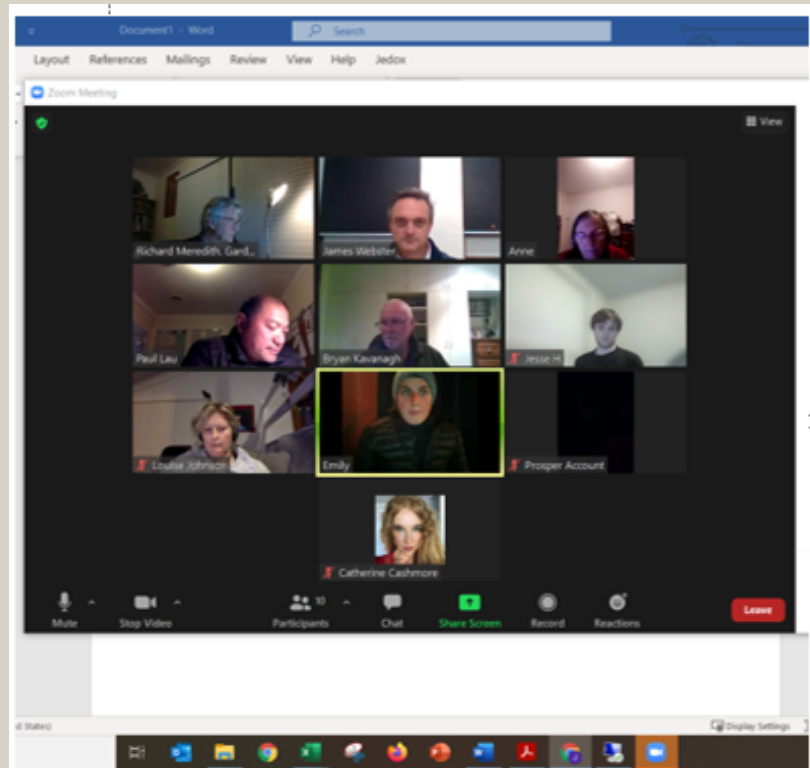
COVID19 has been incredibly disruptive to our regular activities and events. Our output fell as our team adjusted to the changes wrought by the pandemic.

Disruption has its silver linings: our organisation has seized new opportunities to work and network remotely, establishing a more permanent, national presence. Our team is now permanently remote. We welcomed our first interstate executive committee member.

The committee has worked incredibly hard this past six months to implement better systems and oversight. We are committed to ensuring our reach and influence continues to play an important role in the national conversation advocating Geoist policy reform.



Catherine Cashmore
President



FLAGSHIP RESEARCH



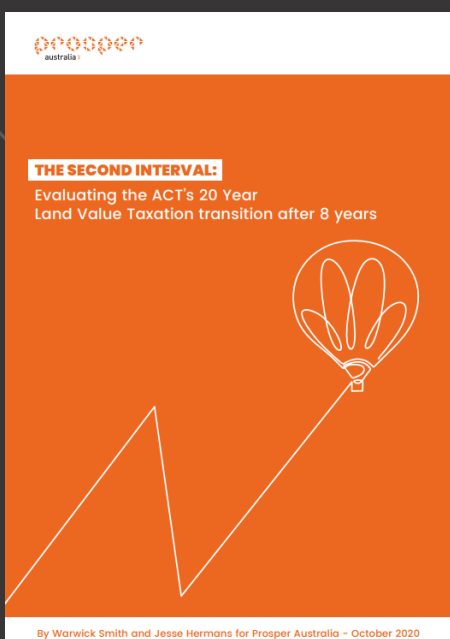
SPECULATIVE VACANCIES 10: A PERSISTENT PUZZLE

Karl Fitzgerald

Prosper's tenth analysis of vacant land and housing finds that 69,004 properties were likely vacant in 2019. This represents a 4.1% speculative vacancy rate.

This number of empty or underutilised properties could house over 185,000 people, making short change of Victoria's 80,000 person public housing waiting list.

This year we provided exclusive coverage to *The Age*. The report was front page of website and the most read and commented article that day. The *Australian Financial Review* and a number of other outlets also picked it up.



THE SECOND INTERVAL - EVALUATING THE ACT'S 20 YEAR LAND VALUE TAXATION TRANSITION AFTER 8 YEARS

Warwick Smith & Jesse Hermans

The ACT's 20 year transition is paying dividends, but not necessarily of the sort we expected. The motivation for this tax transition was to improve the predictability, efficiency and equity of the ACT's taxation system. Eight years into the twenty year transition it appears that the reforms are achieving all three objectives.

Report launched with a webinar featuring Warwick Smith, John Freebairn and Tim Helm. A recording is available via YouTube.

SUBMISSIONS

NSW Treasury - Stamp Duty to Land Tax

Building off our submission to the Thodey Review, NSW Treasury has continued to consult with us on the proposed reforms, and we have made follow up submissions to the Treasury taskforce responsible to address key issues which have been flagged to us during consultation meetings.

Australian Productivity Commission Draft Report Submission - National Water Initiative

The increased scarcity of water and significance of water rents to Australia has led us to invest some resources into this area. Our submission helped develop our understanding of water markets and the future areas of policy vulnerability to rent seeking.

Victoria's Ten Year Affordable Housing Strategy

The Victorian Government's Big Housing Build COVID response was followed by a consultation for the long term strategy for housing affordability. We took this opportunity to make a submission outlining to the government the need to provide alternative forms of land tenure.

Victoria Treasury - Submission to 2021/22 Victorian Budget

Our regular annual submission to the Victorian Treasury this year focused on COVID response policy, in addition to our regular issues of land supply, natural monopolies, tax reform and revenue policy.

NSW Federal Financial Relations Review

The Thodey Review Draft Report Submission continues our efforts to lead the Stamp Duty reform discussion, bringing us closer to policy makers.

NSW Productivity Commission - Review of infrastructure contributions

NSW Productivity Commission was seeking input from stakeholders on the existing infrastructure contributions system in NSW. Our submission focussed on the absence of effective value capture mechanisms in the existing IC scheme.

EVENTS

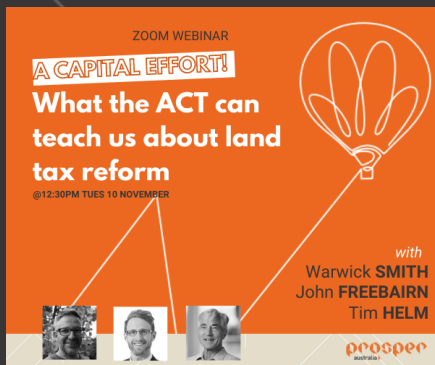


HENRY GEORGE ADDRESS

The 129th Annual Henry George Commemorative Address was the first held online.

Professor Nicole Gurran, chair of Urbanism at the University of Sydney, took us through the fallacious arguments that high Australian home prices are due to planning regulations choking the supply of new dwellings.

The event attracted many attendees from the built environment professions as well as Georgists from across Australia. This year's **EJ Craigie Award** went to Tim Sneesby for his splendid article "Why the RBA is wrong about zoning and house prices again" published in The Fifth Estate.



A CAPITAL EFFORT - REPORT LAUNCH

An expert panel of tax boffins, including John Freebairn, Warwick Smith and Tim Helm, explored the options and opportunities of stamp duty reform at our online launch of *The Second Interval: Evaluating the ACT's 20 Year Land Value Taxation transition after 8 years*.

We've improved our supporter engagement pathways making good use of online RSVP systems and attendance recording to build relationships with new attendees.



VIRTUAL LUNCHROOM BRIEFINGS

With everyone locked-down we held casual chats for members and supporters including "What do the bailouts reveal about our economy" and 'Airlines, Highways and Airwaves' - a discussion of the history of privatisations and the colourful characters who help disguise monopoly power.

ADVOCACY & COMMUNICATIONS

Global Empty Homes Network

Karl has helped establish an international network of vacancy campaigners with Action for Empty Homes (London) and LISC (NY) to counter the rise of global property speculation vehicles. The group is expanding by including international experts in the field, bringing us closer to more high profile advocates with excellent networks.

Progress Journal

We have published three editions of Progress since April 2020, with our Winter 2021 edition due in July. Circulation is currently down to ~250. Recent editions are posted online.

Website & Social Media

Prosper's primary communications channel is our website; it is our window to the world. Our visitors are up from 14,000 to close to 16,000. Total page views came to 31,286 over the year.

Twitter & LinkedIn continue to be important channels with our twitter impressions averaging 280 per day over a three month period. Our followers are up 9%. Our LinkedIn engagement rate is increasing steadily. LinkedIn is a useful platform to share our research with the policy community.

Progress - Economic Media Centre

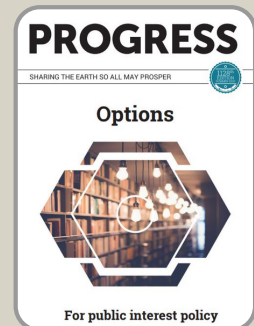
Emily undertook media training with Progress Australia's newly established Economic Media Centre Spokesperson Network. The objective is to provide a central platform for progressive organisations to improve media performance and a point of contact for journalists seeking comment.

Renegade Economists

Investigations into the rent-seeking of Big Pharma were features over the last year. Regular interviews with Fred Harrison and Michael Hudson continued as we approach 600 shows. Episodes receive around 400 listeners via podcast and 4000+ live.

Meetings with Key Stakeholders

Prosper believes that knocking on the doors of power, especially when we offer timely and relevant policy input, is an important part of increasing public awareness of Georgism. We've met with MPs in NSW & Vic, Union leaders, and allies in the research and NGO community.



ORGANISATIONAL DEVELOPMENT

Prosper is planning for success. For research and policy, our objective is authority and credibility. We will continue to network with like-minded academics and think tanks for co-published communications and research.

We have continued to invest in our people. Karl has been undertaking a year-long program with the Global Leadership Foundation which is building his skills in management and leadership.

The executive committee introduced an interim management plan which changed the way staff reports their activities including setting measurable targets for their output. We aim to improve the accountability of both staff and board by adopting more effective project proposals. We have also adopted workplace policies in line with our legal commitments and due diligence.

We have worked to bring our human resource commitments in line with our strategic agenda, by creating new portfolios with well-defined roles and accountabilities. Our aim is to attract and retain high performing staff and volunteers while continuing to grow our support base and our efficacy.

Our executive committee has had a somewhat tumultuous year with new members inducted, and some unforeseen resignations. Overall, these experiences have served to improve our governance. We welcomed Paul Lau and Louise Johnson to the executive committee. Paul is a successful small businessman and accountant, while Louise has expertise in communication - she is a former staffer for a Victorian cross-bench MP.

The aim of our strategic communications plan is to increase our organisations' relevance and influence. We want to see more mentions of our work in the media and a broader understanding of our economic analysis in the general public.

TREASURER'S REPORT

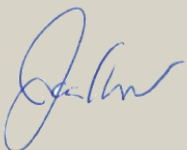
In 2021 we made a profit of \$19,147 compared to a \$46k loss the previous year. These figures are preliminary as we are awaiting an audit for both Prosper and PARI.

This year's profit was mainly due to the COVID "Cash Boost Stimulus Refund" from the ATO. It meant that we did not have to dip our reserve funds as anticipated - \$91,000 remains available. We also saved money on travel and the Henry George Dinner, whilst simultaneously investing more in remuneration and professional development for our team.

Revenue was compromised by a noticeable reduction in securities income, but with nobody in the office we saved significantly on office expenses. We have outsourced our bookkeeping, freeing up staff to focus on research and policy development.

We saved \$29k on wages, \$2k on payroll provisions and \$5k on Superannuation – our departing Communications Manager was not replaced during FY 2021, but will be in 2022.

Prosper has entered a critical growth phase, building on the momentum we have gained within policy circles.



James Webster
Treasurer

PROSPER FINANCES OVERVIEW

INCOME

Prosper's net profit this year was **\$19,147**.

The vast majority of Prosper's funding comes from the **Henry George Foundation of Australia**, a trust set up in 1928 to fund Georgist organisations.

Interest and investment income dropped this year. We received a **COVID cashflow boost** from the ATO which offset our tax expenses.

Currently, **membership fees** make up just 1% of our operating income.

EXPENSES

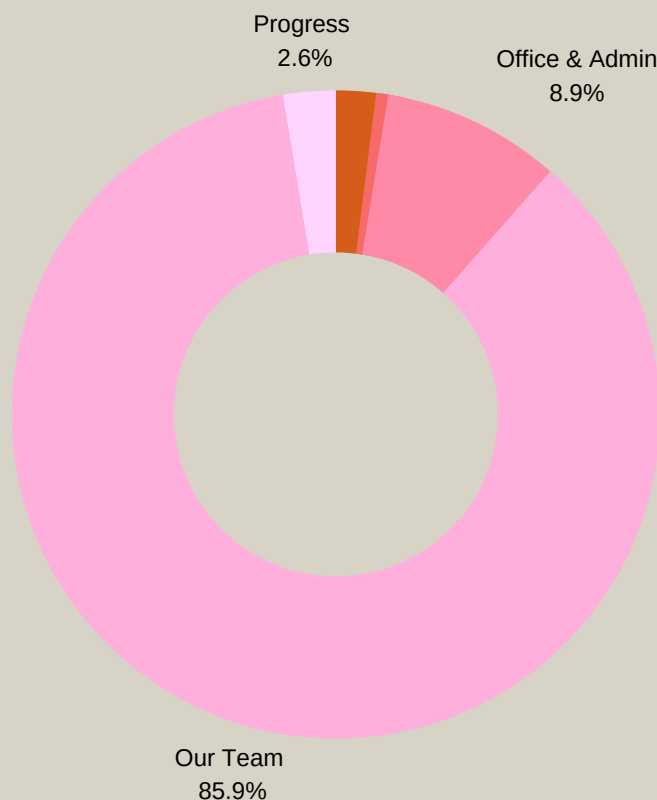
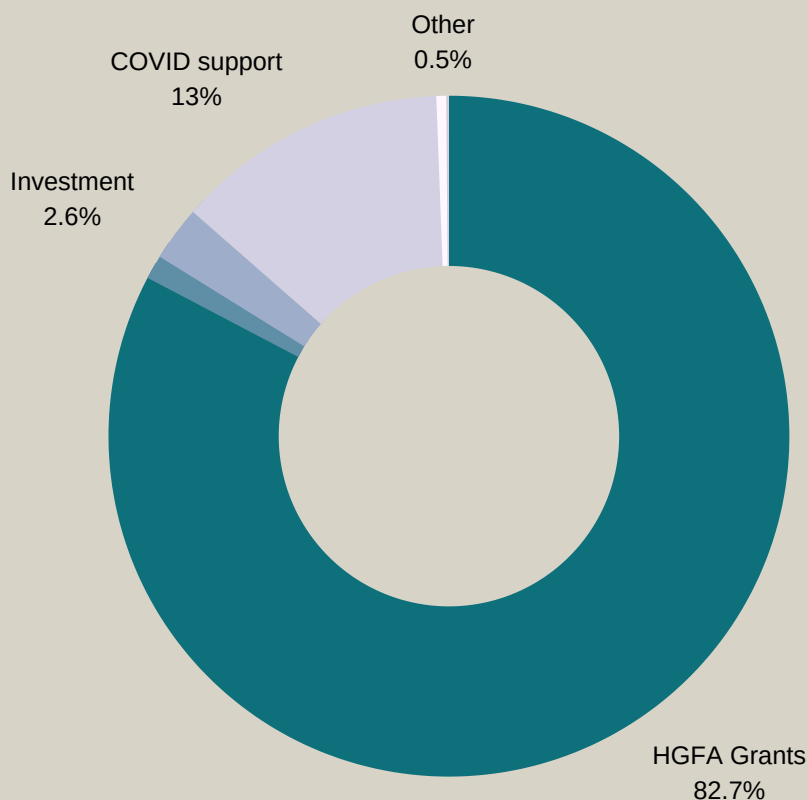
Prosper's total expenses this year were **\$198,152**.

Our biggest expense is **paying our staff** and covering the costs of our volunteers.

Prosper's **rent is nominal** thanks to our occupancy of HGFA's Max Hirsch House.

Administration costs rose slightly as we outsourced our bookkeeping and switched online accounting software.

COVID reduced our expenditure in FY2021 as we curtailed our regular travel and program of in-person events.



PARI FINANCES OVERVIEW

INCOME

Prosper Australia Research Institute received **\$3,103** in donations and interest.

The majority of donated funds came from a small number of **generous major donors**.

Prosper's Research Institute incurred losses of **-\$10,070** in FY21.

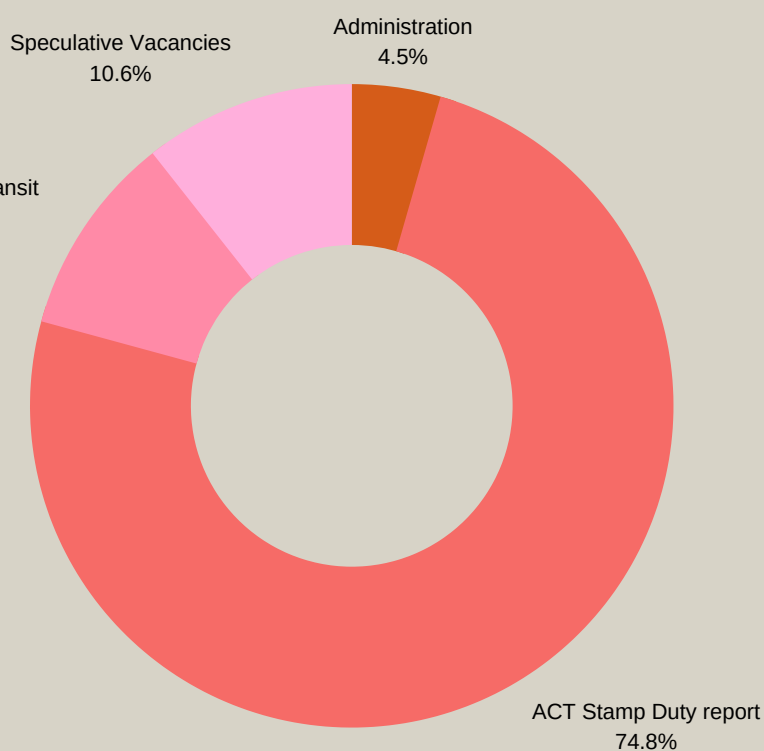
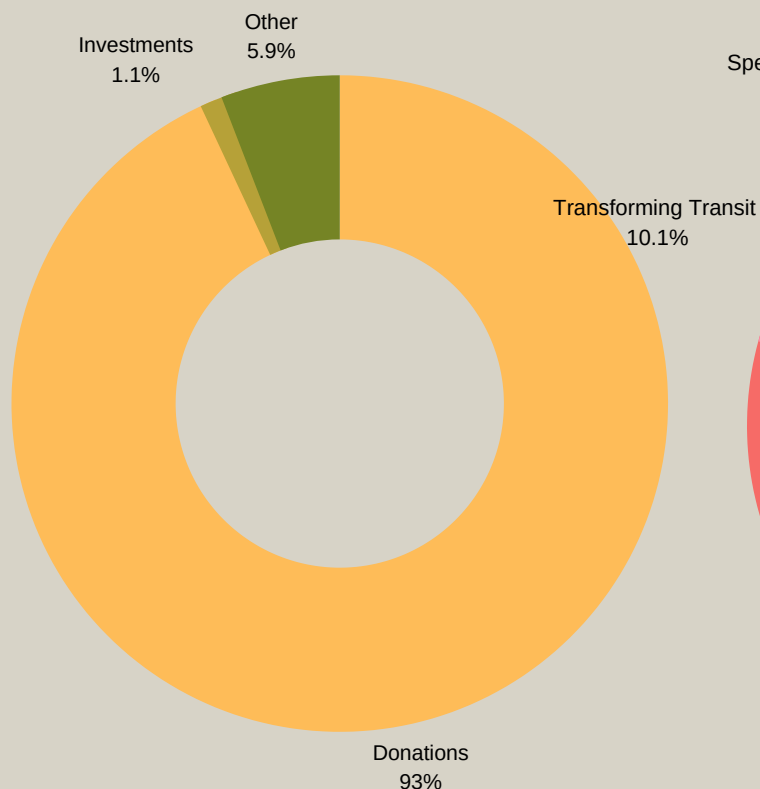
EXPENSES

Prosper Australia Research Institute funds all our research projects and currently relies on the generosity of its regular and major donors.

PARI had total expenses of **\$13,173** in the 2021 financial year.

Our biggest expense is **paying our talented researchers** and covering the costs of data acquisition.

Examples of administration costs include **legal advice and bank charges**.



THANK YOU

We thank all of those who assisted throughout a testing year with policy feedback, proofreading, links to relevant articles, a simple retweet or a deep dive discussion on the phone/ zoom. Together we are making a difference!

Our work saw the continued development of the NSW stamp duty to land tax transition, the proposed introductions of Rezoning Windfall Gains Taxes (Vic & NSW), the opening up of the NSW taxi license market and the removal of the Vic Regional First Home Buyers Grant.

Support our work either via a tax-deductible donation to PARI or by becoming a regular commenter on our channels:

www.twitter.com/Prosper_Aust/

www.linkedin.com/company/prosper-australia/

www.youtube.com/c/ProsperAustraliaMelbourne
or quite simply - on our blog posts.

To sharing the earth's worth so all may prosper.

