

The Prosper Australia Research Institute

By Karl Fitzgerald

The Prosper Australia Research Institute was launched on May 21 before a vibrant crowd at our LSX headquarters, come to hear about Prosper's new deductible gift recipient entity.

The date links to an important historical event: 77 years ago to the day, the trust deed of the Henry George Foundation of Australia was lodged, establishing the organisational financing of the Australian Georgist movement. In a significant move worth millions of dollars today, Edgar Culley bequeathed £13,000 to the movement to ensure the message of economic justice and freedom was heard throughout the nation.

The capacity of PARI to attract further donations will build on this history, assisting the tremendous momentum underway at present.

PARI's first task is a research paper critiquing the lobbied expansion of the GST. We cannot allow such a damaging and regressive tax to get up unopposed.

The long-term PARI objective is to model economic rents, illustrating just how efficiency and equity would play out under a fairer tax system.

A passionate line of questioning followed in the Q & A.

A Georgist supporter of 70 years said the last time he heard a Federal MP mention Land Tax was from Richard Casey, a minister under Menzies – whose administration removed the Federal Land Tax in 1952.

Reading the daily press reveals a genuine hunger for impartial research into the effects of unearned

income on society. Why are billions spent on the God Particle or exploring space when we barely understand how the value of the earth affects society? It's like playing soccer without rules – or gravity. We are inspired by the number of commentators willing to question the prevalence of rent-seeking. One rising star is Warwick Smith, who penned a telling piece in The Guardian - *All Taxes Are Not Created Equal*.

As usual, reality is not as simple as federal Treasurer Joe Hockey makes out. Not all taxes are made equal. The best taxes don't take people's money but instead recapture public money currently appropriated by rentseekers.

His own department's recent tax working paper makes this abundantly clear by calculating the economic cost of different kinds of taxation. The imposition of taxes that target unearned income (economic rent) can actually improve the economy instead of imposing an "excess burden" on the economy as income based taxes, stamp duties and insurance taxes do.

The need for a land value tax continues in light of the post-GFC policy environment, where a few short years after the last property-induced crash we are rushing headlong into the next one.

PARI will build our capacity to contest the many rent-seeking agendas around us. We look forward to your assistance in assembling the evidence and putting it into the debate. Please begin by joining us in economic reform as a member of Prosper Australia or donating to enable deeper research via PARI.



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