

Editorial by Karl Fitzgerald

We are pleased to announce that Dr Cameron Murray will be presenting our 127th Annual Henry George Commemorative Dinner : Housing Policy Fraud - An Australian Story. Dr Murray joins a long list of distinguished presenters honing their microscope on the role of unearned incomes in distorting democratic outcomes. Please lock in Tuesday September 4th for a gala night in a refreshing venue - the Brunswick Mess Hall.

As those on our enews list will be aware, Prosper appeared as witnesses at the Inquiry into the Long Term Leasing of the Land Titles Registry. Researcher Jesse Hermans and myself were highly critical of the economic case for privatisation. Jesse calculated that it would cost the budget some \$60 million per year. The same money could be raised via the sale of government bonds, at half the cost. 'If innovation is the catalyst for the privatisation, why is the government shielding the incumbent with a 40 year lease? Ten years would be ample.' Jesse stated.

I focused on the lack of detail surrounding the Valuer General's land data - would it be included in the sale? The lack of certainty around this issue was deeply concerning. Additionally, the regulation of data aggregation products was not on the government's radar. Would that be how the potential new owners justified their investment, by adding thousands to a suburb-wide type comparison? Property developers can afford the current \$6,000 spreadsheet, but the general public, NGOs and some universities could not. Such a barrier to analysis is poor public policy as the emerging 5G spectrum unleashes new potentials.

A public access component must be incorporated into any possible land data privatisation. This is all set to occur as the growing capabilities of geo-spatial analysis matures. Read the full transcript of the robust discussion on our website. We were also featured in The Age's "Inquiry scrutinises land titles sell-off ahead of August sale."

Prosper supporters must be congratulated for their response to our call-to-action regarding submissions to the Land Titles privatisation. We dominated the public submissions.

I hope this edition doesn't scare the pants off you, but we need to be prepared. After decades of unaffordability, the property lobby are moving quickly to lock in those left behind to lifetime rental.

We have been watching these trends unfold in the northern hemisphere and feel that the continued media buzz around the looming Build-to-Rent sector in Australia deserves greater investigation. I will go as far as to say that housing commodification pressures have only just begun. Property investors are entrenching their position with yet another advantage - algorithmic analysis of the latest social and demographic trends.

In a post-globalisation era where manufacturing has been decimated, the rentiers have tightened their grip on our communities. The West's foundation economic model - of privatising land rents - has become its only economic model. The current growth model revolves around Big Immigration, Big Housing and Big Debt. This is not a stable basis for an economy, as reflected by the current falling auction clearance rates. This model feeds into an additional function: to distract the masses from the resultant land price inflation with immigration scaremongering.

Rental Backed Mortgage Securities are Wall Street's tool of choice for corporatising the rental market. Investigating these securities has been a continuing theme on the Renegade Economists radio show for a number of years.

Lastly, the dominance of the monetary reform movement sees many reciting that housing prices are determined by the availability of credit. Feel free to remind them that land price is a function of *both* how much people can borrow *and* how little the government taxes it.

Resources

Georgist glossary - www.prosper.org.au/georgist-glossary/

Understanding Economics - Lindy Davies, excellent online course - www.henrygeorge.org

LVJ facebook page - a great place to ask questions - www.facebook.com/groups/landvaluetax/