

# **AVOIDANCE OF SITE REVENUE.**

## **Synopsis.**

The Site Revenue analysis is sometimes criticised on the ground that landowners will manage to avoid paying it, perhaps by passing the obligation on in prices or to tenants, or that those controlling capital possess another monopoly and will grow wealthier without owning any land and so without contributing to public costs. All these objections are void.

## **Avoidance of Liability.**

The position and extent of every site would be publicly displayed at local government centres, along with the revenue obligations attaching thereto<sup>1</sup>. All site holders would be liable, including charities, churches and governmental institutions: this prevents them pocketing unearned increments, avoids the problem of defining exempt classes and forces all site holders to rationalize and account for their holding. No registered owner of a site would be able to disquise tenure or avoid paying.

If these obligations were not met then the community would resume the site for sale by auction (as it does now for non-payment of rates). Sites would usually contain improvements in the nature of fixtures (buildings, fences, orchards etc.) which would suffice to pay the Site Revenue debt, any balance going to the dispossessed title-holder or any shortfall being levied against his possessions as a bankrupt.

## **Shifting Onus onto Tenants.**

In a Site Revenue economy land price (above the value of improvements) no longer exists. there would be no obstacle (beyond payment of the annual value) to ownership of one's own site. Landlords would be under much pressure to find tenants -- otherwise tenure of their extra premises would become financially impossible. Sites held for speculative reasons would be forced onto the market thereby swelling the number of rentable premises available and, by competition, keeping rents down. There would be a strong economic incentive to own as little land as possible, thereby making abundant sites available to anyone willing to work with hand or brain.

The rental market would not be destroyed since there would still be a need to cater for tourists, the transitory and those unwilling to maintain their own premises. In cases where rent is paid it normally would, of course, cover the Site Revenue due (after all, it is the tenant who now enjoys the locational advantages of the site), plus the cost of maintaining the improvements and providing for their eventual replacement, plus perhaps some extra to cover the landlord's time and bother. But there is no longer any possibility for the landlord to be in a monopoly position and, by dominating a plurality of sites, to exploit their locational values.

## **Shifting the Onus by Increasing Prices.**

It is not possible for a site-holder to pass on the Site Revenue obligation by increasing prices. The price of any particular product is set "at the margin", that is, the price demanded by that producer who simply cannot produce the item any more cheaply. Where another producer enjoys particular natural or locational advantages, due perhaps to mining a richer lode or being more centrally placed to suppliers or markets, then those advantages are measured and skimmed off by Site Revenue. Any attempt to raise prices will be competitively undercut by the marginal producer whose operations incur a minimum, or no, Site Revenue.

### **Siteless Profiteers.**

It is sometimes feared that some individuals (e.g. pop stars, inventors, authors or professionals working from home) may become rich without needing access to valuable sites, thereby unfairly avoiding contribution to public revenue. These folk, however, are not using sites rendered valuable by nature or the community: it is difficult to define anything for which they should pay, indeed, their very enterprise or genius may be stimulating and beneficial to the community in cumulative, spin-off ways not immediately apparent. To tax their earnings involves a complex bureaucracy and tends to crush initiative. Answer need be made to the community for individual earnings due to hard work, talent and luck. At the most these are a matter for the individual's own conscience: something which would be more altruistic in a society based upon fairness.

Even if private greed and selfishness continue to predominate and there eventuate some niches of unusually rewarding economic activity wherein Site Revenue can be avoided, then there will tend to be intense competition there. So long as special interest collusions and price fixing are forbidden<sup>4</sup> the costs and charges of such people are bound to be kept fair.

Unavoidably, such fortunate folk will have to contribute to Site Revenue in some way. As a matter of business practice, specialists and professionals who might, in this electronic age, work very effectively from home, do in fact tend to congregate at prestigious central locations. There are good reasons for this e.g. professional availability, establishment of reputation and keeping abreast of the latest developments. Furthermore, eminent professionals tend to desire residence in up-market suburbs and could not avoid paying for their home-site. The entertainer will have to hire public halls, the surgeon or lawyer may well have to hire operating theatres, video linkups or courtrooms. Elements of Site Revenue would appear in the cost of receiving and transmitting all data and utilities relayed along ground-level easements and through the airwaves.

### **Capitalists.**

The major source of wealth in Australia is land monopoly and only very rarely will exceptionally talented individuals be able to amass extraordinary wealth in a site revenue economy. Site revenue destroys land and share speculation, inflation and interest rates, so savings cannot be increased without additional work and can be maintained only by investment in productive enterprise.

### **Conclusion.**

Site Revenue remains beyond criticism on the grounds that its incidence can be avoided, that landlords will pass it on to tenants and in prices, or that any unfair or undesirable situation could arise wherein individuals would grow culpably wealthy whilst avoiding tenure of valuable sites.

### **NOTES.**

- (1) For full details of this process, see the pamphlets "Assessment of Annual Site Value" and "Collection of Annual Site Value" available from the Site Revenue Society, 1 Bird St. Herston 4006 @ \$1 each.
- (2) As, for instance, in the debate as to whether Scientology is a religion.
- (3) The ramifications and debilitating effects of this fundamental societal disharmony are explored in depth by Graham Hardy in *The Coming Chaos* (Reform Publishing Co. 1983).
- (4) As they are already, to a certain extent, by the (Commonwealth) Trade Practices Act.
- (5) On the need for and theory of this sort of society, see e.g. E.F.Schumacher *Small is Beautiful* (Harper and Row, New York 1974); Alvin Toffler *Future Shock* (Random House, 1970); Murray Bookchin *Toward an Ecological Society* (Black Rose Books, Montreal 1980); Murray Bookchin *The Ecology of Freedom* (Cheshire Books, Palo Alto, California 1982); etc.
- (6) "Permaculture" is a term coined to denote that integrated, self-managing texture of flora and fauna so vital for local autonomy and a wholesome ecology. See *Permaculture One* and *Permaculture Two* by Bill Mollison (Corgi, 1978).