

# PROSPER AUSTRALIA

## SITE REVENUE : DEFINITIONS.

**Co-Operative Communities:** Are intentional communities structured as co-operatives. An intentional community is a group of people deliberately settling an area together. The area may be a house, an urban block, a suburb, a farm, a valley, a village, a town, an entire region or province. They are not mere accidental co-habitators of an area, but are, rather, cohered by specific and defined purposes and practices which they continually work to perfect. They tend to be basically self-managing and self-subsistent economically and in food production. They are not merely units of production, but far more: they are social, legislative, cultural, judicial and educational bodies as well. Often intentional communities have some special interest or belief binding them in common. Co-Operative communities will be the way of the future as the fragmentation, mobility & diaspora induced by the industrial revolution and world upheaval, settles into more intelligent and sustainable patterns. They are akin to traditional communities, but with all the advantages of modern technology.

**Land Monopoly:** Land monopoly exists when society grants absolute tenure over a site (*q.v*) to an individual (or incorporated entity or agency of government) and then fails to collect the rental value (*q.v*) of all sites. This failure (**a**) permits the locational or situational value of the site to remain with the site-holder and to become capitalized into land price (*q.v*) and (**b**) enables the site-holder, even if the land is never sold, to continuously pocket the profits derived from the locational advantages of the site. A land monopolist (*q.v*) is a site-holder who, deliberately or unconsciously, regularly or occasionally, professionally or accidentally, benefits from land monopoly (*q.v*). The worst and most culpable kind is the professional speculator in land prices (*q.v*).

**Land Value Taxation:** Land Value Taxation ["LVT"] is a traditional approach to the collection of site revenue (*q.v.*), however it differs in that (**a**) the rate of taxation is set by politicians, rather than being out of political hands and being simply & flexibly set by the free market, and its proponents often saw it as (**b**) incremental, growing gradually in its collection of some or most (but not all) of the site value rather than collecting the entirety forthwith, and (**c**) as constituting part, but not necessarily the entire, source of public finance.

**Locational Advantages (of a site):** As a site is rendered valuable so benefits, bestowed by the community, are enjoyed by the site-holder. These benefits may flow from the volume of trade passing the site, from the minerals it contains or fertility of its soil, from its vista or proximity to services and utilities. These benefits go to swell the site-holder's consumption, enjoyment and income and to make the site attractive to a tenant who pays rent for it.

**Owner:** The owner of the site is the person or entity holding it in fee simple directly from the Crown. Under the Torrens title system which is well established in Australia, the Owner is termed the registered proprietor. The word owner is derived from the same etymological roots as the words 'owe' and 'ought': historically, those who owned land owed a fee of money or service to the Crown. This debt is quite consistent with fee simple tenure: even this can be lost by, for instance, failure to pay local rates.

**Site:** A site is a defined, surveyed portion of land, water, bounded airspace (as with a skyscraper or flight path), electrical wavelength or (in some instances, such as mineral reserves, old growth forest & fishing rights) an amount or proportion of a limited resource, given over to exclusive control by an individual, incorporated entity or any manifestation of the government. Such a site is "enclosed". A site may be a tiny residential block in an inner suburb, a vast pastoral or agricultural holding, a factory, a shop or a mine. All wharves and berths, yacht

moorings, oyster leases, transmission wavelengths for radio and television and satellite orbits are sites. Only truly public land, such as parks, roads, rivers and beaches fall outside this definition. Even so, special charges could be imposed by local authorities when there is intense competition to dominate public space (as for instance with parking meters).

**Site Value:** The value of a site, usually measured on an annual basis, is the amount of money which would be offered in the open market for the privilege of holding it, exclusive of its improvements, for the period of one year, this tenure being renewable in perpetuity. Sometimes "value" of a personal or sentimental kind will inhere in a site. Such value is not capable of objective quantification and would not be reflected in the open market, which is sensitive only to economic factors. The term "site value" is synonymous with a variety of terms used in earlier times, including "land value", "ground value" and "unimproved value".

It is of prime importance to notice that the value of a site is due solely to the community and not at all to the site holder as such. See Locational Advantages of a site (*q.v.*). There are three factors which give a site economic value :

- (1) The bounty of nature, in endowing the site with certain resources;
- (2) The efforts of society at large, which by its expenditure on infrastructure (such as roads, bridges and parks); upon utilities (such as gas, electricity and water supplies) and upon services (such as library, police, fire, school and health facilities) adds immensely to the value of a site;
- (3) The proximity of the society-at-large, with its industry, goods, services, workers, consumers, companionship and its demand for these things.

**Site Rental:** The Rental accruing to any specific enclosed site is that sum which, when collected regularly (say, monthly in advance) ensures that ownership of the site will transfer at (and not above or below) the value of improvements upon the site. The value of such improvements can be assessed by a trained valuer, using construction & depreciation schedules and the like, after five years of formal training followed by another five years as an employee. If ownership of a site transfers for above the value of improvements, too little site rental is being collected. If it transfers at below the value of improvements, too much site rental is being collected. Collection of site rental does not imply that the Owner (*q.v.*) has less a title to the site than fee simple, or has become a mere tenant of leasehold. Note the term is not "Site Rent". Freehold title remains with the proprietor: there is no nationalization of land and the community therefore does not & cannot collect direct rent.

**Site Revenue:** Site Revenue is the total fund accruing by collection of site rentals. In a Site Revenue economy, this fund forms the only, and the entire, source of public revenue. The word "revenue" comes from the Latin *re-venire*, to come back. It is the return by the Owner (*q.v.*) to the community of payment for benefits bestowed, that is, for the site-monopoly granted. It is in no way a tax. It is thus related to privilege, not production.