

PROSPER AUSTRALIA

HOW SITE REVENUE WILL AFFECT YOU

The Site Revenue reform would have far-reaching effects into every corner of our society. Some examples are considered below.

Everyman: No longer will there be taxes imposed on earnings and transactions, with every citizen forced to be a tax agent for the government. What you earn will be yours to keep. Instead, you may pay more for the right to exclusively occupy a site, but what you pay will simply reflect the value of community services benefiting the site. If holding the site gives you benefits from its proximity to services & consumer presence, from its vista or fertility, etc., then you will pay the market worth of these benefits: but that is all the public revenue you pay, ever. All improvements made to the site will be yours alone. Whilst you will lose the value capitalized into the site under the current system, you will not need to pay for any future site you move to (only for its improvements).

Environment: Site Revenue would benefit the environment by collecting 'rental' for pollution of atmospheric and other sites. The rental, collected for instance at the fuel pump, would be the cost of remediating this pollution (e.g. by planting & maintaining forests). If your management of the site creates a positive input for the community, such as by maintaining tree cover as a carbon sink, then you would receive a rebate against your site revenue obligation. Of course, other laws protecting the environment would remain in place. To some extent these laws would prevent farmers deliberately exploiting land and damaging its capacity, but in addition such course would be unwise as the attractiveness of the site would be reduced and recovery of the value of improvements made impossible.

Farmers: Farmers would have to compete in the world market without public subsidies. However, import of competing agricultural products subsidized by foreign governments would only be permitted upon payment of a tariff in the amount of the subsidy. That tariff would be applied solely to educate regarding site revenue in that foreign land. Farmers would be able to commence operations upon payment for the improvements to farming land only, without paying any additional capitalized value for the site. Farmers who sell their farm would lose the value capitalized into the site under the current system, but would not need to pay for any future farm to which they relocated (only for its improvements).

Manufacturing: Manufacturers would be free to purchase plant, equipment and parts from overseas without any tariff barrier. No sales tax or GST would apply to sales nor payroll tax to employment. On the other hand, there would be no mollycoddling protection of inefficient & uncompetitive industries.

Mining: Precious metals and ores were not made by humanity and they should not belong to any individual. The right to mine them should be auctioned at royalties geared to volume & assay. Discoverers should be awarded with an appropriate percentage of royalties, up to a cap.

Mortgagors & Mortgagees: At present, sums advanced under security of mortgages include an element reflecting the 'capital value' of the site, as well as another element representing improvements to the site. Under a Site Revenue system, siteholders would not pay any capital value for a site, since sites would have none. They would only pay for improvements to sites, and these alone would provide security for lenders.

Native Title: The Aborigines were aware that no individual could properly own the land. Their dispossession has allowed an industrial & technological society to develop based upon private monopoly over sites & resources, but this in turn has its evident limitations. Only when the two

cultures are merged do they inherit the benefits of the other. At present, there is discrimination in favour of Aborigines as well as against them. In a Site Revenue society, all land could be vested in Aborigines, so long everyone holding monopoly over sites (but not public or sacred sites) paid the site revenue. If Aborigines wished to live a traditional life, they could do so in appropriate zonings and pay little or no site revenue. If they wish to use sites for normal agricultural, commercial, industrial or technological purposes, they can do so on the same basis as everyone else.

Small Business: At present small businesspeople struggle to compete against rich corporations which can afford to purchase the best commercial sites and, once established there, parasitically exploit the community infrastructure round about, and with their economy of scale cut prices. Small businesspeople are also severely impeded by the amount of red tape with which governments bind them as unpaid tax agents. All of these abuses would cease in a site revenue society.

Tenants: The disappearance of private rights to capital value in sites would greatly lower the price of obtaining one. Thus, many sites held for speculative or extortionate reasons would come on the market, and marginal lands would be virtually free. This would lead to a high level of home ownership, but with the mobility of populations and avoidance of binding obligations there would still be tenants. They would, effectively, pay market rates to enjoy the improvements on the site, plus the site revenue benefiting it.

Town Planning: Town planning and local governments are at present greatly corrupted by capitalization of site values. Folk who buy sites early (say farmlands at the edge of a city) hold it out of circulation until they can make a massive unearned profit by rezoning it to residential and subdividing. Similarly, someone who buys & improves a site, say by building a home on it, may have the whole effort blighted by, say, a freeway being pushed through adjacent. This is unfair, and leads to bribery, damaged amenity and unwise spot & ribbon zoning. Site revenue forces optimum land use and consolidates development, whilst permitting neither unearned windfalls nor unjust 'wipeouts'.

Unemployed: The removal of all imposts on effort and the levelling of the playing field between Labour & small business and Capital, would magnify economic activity and generate employment. Also, vacant urban lots, together with vast tracts of unused, or under used, bush & farmland, would come on the market for sale at the value of their improvements only (often virtually nil), provided that the purchaser paid the site rental. At the urban & rural margins, this would be little. Thus, the unemployed would immediately be able to own freehold in their own sites, construct their own homes, grow their own food and rely on part-time work for a sufficient cashflow. The need for a welfare state would be greatly diminished, especially if the unemployed formed intentional communities enabling self-support and swapping of skills.

Unions: The great abuse of Capitalism is that it treats sites (which were made by God) the same as machinery and money ["capital"], which were made by humans. From this abuse stems the power of the rich (who 'own' the earth's surface and the means of production) to exploit the labouring poor. However, in a site revenue system the siteholders will desperately need reliable & skilled employees to operate their equipment and to work upon their sites so as to generate the wealth with which to pay the site revenue. Within ten years there would be such a levelling of the playing field between rich & poor that unions would have fulfilled their purpose.

Young Families: With the end of capitalized site values, no longer would young families, embarking upon a joint life, have to shoulder the massive burden of a large mortgage. At most, there would be a small mortgage, to cover the purchase of improvements to the site.