

A WEEKLY COMMENTARY

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The Price of Freedom is Eternal Vigilance

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Buying Your Own Presents! By Neville Archibald

Can you imagine being excited by opening that one present you bought for Christmas, in order that the newest family member could give it to you. He is not yet one year old, but your wife insists he buy presents for us. I hope this doesn't sound silly to you, but I am sure you know of people who do this (some even do this from their pets!).

The joy, is in the inclusion of that new family member, not the object per se; you do, however still finance it. It can be fun!

Fast forward to tax time, do we welcome that same concept, or am I a fool for believing many of us might? They take more and more off us, only to sound generous when giving it back in some form, usually minus a fair slug.

The recent discussions about our massive debt and the taxing needed to reduce it, have dropped a doozy. In an article or two reporting on the Capital Gains Tax, and how it could be used to raise more revenue, a new phrase has been born. Like many times before, the ability to sell these desperate grabs for our money, is couched in a word salad. One designed to convince us of it's necessity and of course of it's benevolence for those whose votes are being targeted. (I'll get to that later.)

A Capital Gains Tax Discount Reduction, is what we must have. Is this to sell it better? but first of all, a discount?

Capital Gains Tax policy was introduced by a Labor government in 1985 and has seen several modifications since. The word 'discount' was added in 1999 by the Howard Liberal government. Now the current Labor government is about to change it again.

"Grand sale!, Grand sale!" It goes. "All things store wide are going out at a discount-reduced price, get yours while you can!". "On offer store wide these discount-reductions on our regular taxed items are booming!" ... and so it goes! (nowhere did I mention a price increase, which is what it really is)

Firstly let us look at who a capital gains tax has the greatest impact on, and here we are not necessarily talking just financial.

I was about to go into a deep dive on corporate profits, tax for companies and just how much (or how little) many of them pay. This is relatively easy to find out, and a little more complicated to understand; but at the heart of this question, we should be asking if there is a difference between the individual and the company? Just who is the country run for? Who should the system be looking out for? Tax inequalities are a part of that same discussion.

Companies and organisations are run for profit, these days most likely maximum profit regardless of where the company is based. The minute it becomes cheaper to move overseas, that is where they go. Many pride themselves on their multinational existence. In short, very few these days, are family companies trying to get ahead. The active push on the financial side of things has been to make it easier the bigger you get. Government has been a part of that too, with the "get big or get out" mentality stretching back to the Fraser' Liberals. The intent can be hard to fathom sometimes, the result – we eventually see. Smaller industry, catering for local work, adaptable and capable of meeting individual needs, have died out. Now we have a one-size-fits-all approach where real choice looks a lot like our political system, a choice between one or two pre-prepared items that satisfy no one in particular, accountable in the long run, to nobody but themselves. Able to sell inferior products, because all are selling inferior products, made to 'best price' standards.

Companies create their price structures to pass on costs to the consumer. Whether it is paying less for raw materials or raising purchase price, the buck stops with us.

We on the other hand live here, we raise our families, build communities and basically try to make a better world for ourselves. We strive for a place to work, a home to live in and an idea that it will be easier for the next generation. With all the labour-saving devices and technology implemented, we should be seeing this. Instead the next generation will not be able to own their own home or even afford to raise their children. Our income is taxed and apart from some minor deductions we have no one to pass on costs to. Anyway you wish to look at it, the individual is the milk cow.

Is it a coincidence that both the capital gains tax and tax increases in general can be compared to the first three policies in the communist manifesto?

"1. Abolition of property in land and application of all rents of land to public purposes.

2. A heavy progressive or graduated income tax.

3. Abolition of all right of inheritance."

Is this what we are seeing?

If you are to listen to both government and the financial gurus out there, it is our fault. They as much as say that we homeowners have too much capital tied up in real estate, our homes are worth too much and this money is sitting idle. It must be accessed. Yes, the roof over our heads is a money pile just waiting to be used, indeed the amount is staggering, no wonder the economy has slowed. (sarcasm)

Our 'Grand Sale' government will fix that for us, how dare we have a gain in our capital worth – even if it really means nothing. Older people are being demonised in the aspiring youngsters eyes, because we are sitting on this potential wealth. We are greedy for having spare bedrooms (after the children move out).

What is a home?

A house that is a home is a necessity for a stable family life.

All money used to purchase this home has already been taxed.

To sell up and buy another, never realises this 'capital gain' in real terms, for the next house has also - 'gained in value'.

The inflation rate on housing is not the fault of those in the market to buy, it is strictly a financial issue. We hear all about demand price increase and other bullshit excuses, but the mere fact that no one can afford to build new ones (or is really building any) means there are less available. Why is this happening? Who is responsible for making this 'build less' climate? Entirely financial policy! The realm of government! A government that was keen to help it's population develop these stable lifestyles would do so!

C.H.Douglas, pointed out the financial flaws that see us with this lack of purchasing power, over a century ago. It is not the money in our homes that is 'not working for us', it is the policy of the Keynesian Financial Debt System, that keeps us descending further and further into debt. No rearranging of the limited money in the system will add what is needed.

Whose votes are being targeted?

It is in the governments interest to target voters they think might help keep them in power. This divide and conquer tactic will often pit a possible vote against an unlikely vote. Much time and money is spent on analysing these outcomes, and policy more often than not will reflect it. The older home owner

vs the aspiring one, there must be political mileage to be made here, maybe that is what the numbers show. In the present climate, the younger voter has not the historical knowledge of where they are likely to be deceived. The older voter is probably fed up and will not be a definite vote, or they are a smaller cohort. Which ever way you look at it, rather than solve the real problem, playing with votes seems to be easier.

Government is supposed to be a mechanism to allow the people of the country to prosper and evolve. If we are doing this, then we are the ones to advance. Government should be in our interest. Some might contend that companies are us, just in a different format; but this does not stand up to scrutiny for very long. The direction of big business, has taken a turn towards a life of it's own.

Outside of individual concerns, the mantra of greed seems to have taken over. The corporate world feeds on itself as well as the consumer (that is us, the people they claim to be producing things for).

At the turn of the last century, personal income tax did not exist as the main supplier of money to government. Governments got on just fine.

"Before the widespread adoption of income tax, governments—including Australian colonies prior to 1901 and many Western nations—relied on a combination of indirect taxes, duties, and alternative revenue streams to fund their operations. The primary methods focused on consumption and trade rather than personal earnings."

<https://treasury.gov.au/publication/economic-roundup-winter-2006/a-brief-history-of-australias-tax-system>

A quick overview of income tax is given here, much the same applies to Australia as in this US example, below. Temper this view with the words of Douglas at <https://alor.org>

<https://www.youtube.com/watch?v=q78J89PkZso&t=751s>

I believe our forefathers had a better understanding of just what was important then. Individuals were free to make a life for their families and advance.

The country was the families and the health of that country was seen to reside in strong independent communities. As such government income was derived from tariffs and trade, over and above that of the amount needed to grow the country (the people). We existed for a long time in this fashion. To revisit this era and make notes would be a worthy start, but to apply Douglas' recommendations and to instil in the population at large, just what money is truly for, would see us prosperous and far less likely to be conned yet again.

What is money? Who does it really belong to?

<https://www.thetruthhound.com/since-money-or-credit-is-a-social-instrument-society-not-private-bankers-should-issue-it/>

<https://alor.org/Storage/Library/PDF/Douglas%20CH%20-%20Dictatorship%20by%20Taxation.pdf>

Casting Entrails: or ‘Flawed computer modelling strikes again!’

It is not just science that uses modelling to predict outcomes. In fact, in a previous article I wrote on *Weapons of Math Destruction*, a book by Cathy O’Neil. (ISBN 978-0-553-41881-1) *On Target* Vol. 60 No. 18 (May 17, 2024)

I commented on the abuse that we are being subject to by data collection, both personal and public. This latest escapade draws a distinct line under why we need to reel in those using modelling to ‘adjust’ our lives.

The Economist (25th Feb 2026), had an article entitled, ‘a viral research note on AI gets its economics wrong’.

The use of flawed data within this model gave rise to a dire prediction of financial loss and coming hardship. From this and various other models, ‘global’ entities seek to make policy adjustments. While this might sound innocuous, the far reaching impacts of these adjustments affect our very lives. That this study was later retracted does not mean that the policies it influenced are revisited and corrected. Those who attend and decide world direction, may meet and leave before a fault is uncovered.

In much the same way, Al Gore’s predictions (based on modelling) have been used to initiate a financial burden on us with CO2 or carbon capture costs, the corrections to the data initially used is slow in coming and a reversal of bad policy unlikely. Many of these modified policies are not real-world based and as such can and do wreak havoc. Our push for renewables, is over-riding our common sense, leading to power problems, the likes of which other countries have already seen (Spain and Germany) but we are yet to experience fully. We have; however, experienced the ‘cheaper’ power have we not?

Any business that functions on a faulty premise will find itself in trouble. The world being made to function on a faulty premise, just takes longer to see. Rising debt on an international scale, where the entity to whom it is owed, may as well be the moon, is subjecting us all to increasing hardship. As much as we may tighten our belts or produce extra, under this faulty system, we can never meet this debt. The sooner we realise this, the sooner we can look to correcting it. In the meantime, casting entrails or looking in cloudy crystal balls, is not far removed from the many models we see being used to make big decisions from.

Going after Hurty Words.

Overall crime in Victoria has gone up around 12 – 18% for the year ending June ‘25. these are the highest levels since they began reporting it in 2004 – 5. Meanwhile police are being asked to bring in or find people whose ‘Hurty Words’ have offended someone. All while police numbers are at their lowest level for some years, and are not capable of addressing this violent crime increase. Machete bins, costing millions, did little to alter machete attack numbers. In fact

this sort of vicious violent crime has risen about 16%, which to me, suggests the police concentration should be focused there. I doubt many would disagree. Are these 'Hurty Word' crimes seeing people bleed out on the streets? Is a bleeding heart really a reason to deflect from real blood being shed elsewhere? Shakespeare would have a field day with the tongue now being seen as mightier than the machete!

On the same note, these spoken or thought crimes are being brought to our attention elsewhere too. The rise of One Nation and Pauline Hanson, seems to be bringing out the best (worst) of politics on both 'sides' (if it is possible for a Uni-party to have sides). Allegations, accusations and anger are on the menu in the media and in Parliament. These same people who cry copious tears over 'Hurty Words' are quick to use them themselves when it suits. Who decides what is 'Hurty'? To the victor go the spoils! Victory in the passing of these 'hate speech' definitions will be a thing to watch. It seems it is okay to demonise those you need to, to keep control. One Nation (or any group pushing for genuine reform) will be, and is being, targeted for special treatment. As one example, the group 'Get - up', is pushing members to donate for large billboards in Farrer (Susan Ley's electorate), and elsewhere in the country hoping to stop what they see as the 'authoritarian, far right'. Bus stop signs and 'massive outdoor billboards' are to be the go in the next election. Funny thing is, I remember not that long ago, the amount of hand wringing and the legal attempts to stop that very same thing when it targeted a 'Green' seat.

Watch carefully for the double standards, if they appear, and remember just who it is playing politics with our countries future! Put them last! ***

(Ed) **A note on CG tax:** Discount and taxation do not mix. They should never be used in the one sentence (as the media are doing). To suggest CG tax is discounted by 50% on assets held over one year should more honestly be written as: CG tax is doubled on assets sold within one year of purchase. This is how words create different pictures.

Another one to watch is suggesting Local Councils should have rates capped. How could any organisation survive among rising costs with frozen income? Our State MP's are suggesting it. I wrote that it should be tested by the States firstly freezing their taxes. See how it works!

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