

The Big Picture

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"News to use & amuse"



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3 types of money

Most working people don't understand how rich people become rich. The doors of possibility are effectively closed to them.

When I studied these matters in Canada many years ago, I found it hard to believe that one of the main reasons that I was struggling to earn a living was the government, and one of the main ways of getting more money was to find ways to leave the government out of my life. Here's how it seems to work...

It turns out that there are basically 3 different types of income and the type of income you enjoy totally changes your life and the possibilities available to you.

- 1) PAYE income that the great majority of people work to achieve which is taxed at the full rate.
- 2) Income that that is free, or nearly free of tax
- 3) Income without the recipient having to work at all.

1) PAYE income

People on PAYE tax payment systems have to earn nearly \$2 to keep \$1 for themselves because so much disappears in forced taxes, rates, GST, charges and all of the other money 'needed' by Australia's 3 levels of over-government.

To buy a house for \$200,000 costs PAYE earners nearly \$400,000. Buying a meal for \$20 means that the PAYE earner must earn nearly \$40 to pay for it. At just about every turn, the PAYE earner is working twice as hard as necessary to pay for anything they want to purchase.

This is the main reason that so many people find that living and building up their savings is so difficult. In simple terms they have to work twice as hard for a dollar as someone who pays no, or little tax.

2) Tax free income

There is a range of legitimate ways to gain tax free income, and some that are illegal.

Illegal tax free income is available to those who can receive cash payments without any record of the transaction. A dollar earned tax free is equivalent to \$2 earned when paying tax.

The advantage of tax free income is so great that a range of businesses have adapted their methods to achieve tax free status for their owners. If you can earn tax free money, you have to work less hard and will retain virtually all of the money that you earn.

These results can be achieved legitimately by setting up offshore in low tax countries such as Holland, and/or in countries where substantial deductions are allowed against tax. For example, if a country allows deductions for costs incurred, a business can claim exemptions for offices, cars, boats and building.

This means that a company registered in the right country only pays tax on profits after deductible expenses. So the business owner can look after a company owned house in Australia, receive payments for maintaining it, 'look after' a company car and boat provided and so on. The owner is thus enjoying money earned by their company without the tax burden.

3) Income without any work (theft, gambling, subsidies)

The massive advantages obtained by those with tax free income are only exceeded by those who can obtain income without actually doing any real work at all, or in any situation where the amount of work is not related to the amount of income.

Earning money from interest payments is an example of this.

Life is even easier when money is obtained without requiring any investment of capital. Bankers and others in the finance industry can often attain giddy heights using other peoples' money.

Another highly sought after form of income is when governments divert taxpayer monies into the pockets of corporates and other groups. The scale of the funding may have little to do with need, it just has to appear plausible.

Corporations have become very adept at convincing public servants and politicians to 'redistribute taxpayer wealth' into corporate pockets, often by 'laundering' some of the taxpayer money and paying it to political party bagmen.

The corporation and its owners can then use the monies for whatever purpose they wish, although it often ends up in their pockets via some series of accounting flourishes. [NYT](#)

A major inequity

The biggest imbalance in this entire equation is that the PAYE taxpayer money is going to those who do not work for it. The subsidies, below market resources, cost shifting to the public and 'stimulus' payments, nearly all come from people who must work and earn \$2 to get \$1 for themselves. They pay this both as taxes and as extra components added to the price of goods and services to cover business costs such as payroll and business taxes. They also must pay for the various losses and inefficiencies created by governments.

The lessons from these financial flows are simple.

To make money, many people find ways to avoid having to pay tax (e.g. move offshore, structure as a business, enter the cash economy etc).

To avoid having to do serious work, people can use other peoples' money or find ways to qualify for government 'grants'. Get a job as a director of a bank or finance company, casino operator or in forestry. With Labor's ETS there'll be lots of free money flowing to fossil fuel companies too.

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That was the week that was

Financial mess

Worst behind us: Roubini [CourierMail](#)

World almost collapsed: bankers [CourierMail](#)

Governance & spin

Spat with China: A tussle we cannot win [TheAustralian](#)

Tech firms uncomfortable about \$5,000 ALP dinner [Australian](#)

Forestry/Food/Agriculture

Court blocks mill scrutiny [Mercury](#)

Climate/water/energy/environment

Biggest threat ever: Gore [TheAge](#)

Last undefiled waterway threatened [TheAustralian](#)

Power cuts loom as financing fails [TheAustralian](#)

A real world story about the real effects of nuclear power [SMH](#)

Water reform wastage [Mercury](#)

Feuding climate camps seek Gore support [TheAge](#)

Health/education revolution/communication/defence

Philosophers not wanted at Melbourne U [TheAustralian](#)

NBN will reshape media industry: Conroy [TheAustralian](#)

Indigenous education gap not closing [TheAge](#)

Huge DHHS doesn't stop Tas malpractice claims [Examiner](#)

Blitz on Vic hospital wait lists makes no difference [TheAge](#)

Telstra warned govt about 000 faults before fires [WeeklyTimes](#)

Economy/social/shelter/transport/free speech

A China/Oz investment proposal OK'd each week [HeraldSun](#)

Now Brumby gags teachers from criticism [TheAge](#)

Train logo removal to cost \$15 million [TheAge](#)

Brazil refuses shiploads of UK garbage [Telegraph](#)

Financial planners paid 230% bonuses [TheAge](#)

Brumby admits child protection failure [TheAge](#)

World

Can the US economy recover? [ICH](#)

Press has become virtual 'escort service' for monied elites [ICH](#)

Buy truck – get \$500 AK47 free [CNN](#)

More of the same

TECHNOLOGY industry heavyweights will pay \$5,000 a head to attend an exclusive Labor Party fundraiser.

The Mercury understands big names, including IBM, NEC and Alcatel-Lucent, will attend the private dinner with federal Communications Minister Stephen Conroy and Premier David Bartlett at Moorilla Estate.

It comes as the Federal Government prepares to spend up to \$700 million on the National Broadband Network in Tasmania -- and amid concerns major contracts will not be put to tender. [Mercury](#)

Quotable quote



I may be living in an alternate Tasmania to the proponents of the Ralphs Bay (sea reclamation) development but last time I looked we had plenty of actual land available for terrestrial development.

Pete Godfrey

Skeptic Overboard

Source: [CMD](#)

The [Institute of Public Affairs](#) (IPA), an Australian corporate-funded think [tank](#), has decided to dump its Senior Fellow, [Jennifer Marohasy](#). Marohasy, a [self-proclaimed global warming skeptic](#), has written that, after six years with the think tank, her contract "is not being renewed." During her time with the IPA, Marohasy was noted for contesting the severity of the problem with reduced water flows in the Murray-Darling river system. What she hadn't disclosed was that her work was being funded by Murray Irrigation Limited, a major irrigator. Marohasy was also a founder of the IPA front group, the [Australian Environment Foundation](#), which initially listed the [IPA office](#) (pdf) as its address. In her farewell note, she thanked former IPA director [Mike Nahan](#) but made no mention of the current Executive Director, [John Roskam](#).

Huh?

Healthy girl in swine flu battle [TheWest](#)

How have times changed?

By Fiona Patten 13 Jul 2009 © [NewMatilda](#)



Stephen Conroy's ambitious plan to censor all Australian internet users has [earned him the title](#) of Internet Villain of the Year at the 11th annual Internet Industry Awards in the UK. But the Communications Minister is just the latest in a long line of pro-censorship politicians on both sides of Australian politics.

Before Don Chipp waved his magic anti-censorship wand at all the old fogeys in Parliament House in the early 1970s, we lived in a very prudish nanny state. Most young people these days would be shocked and astounded if they had to live a month under the sort of sexual and moral censorship that their grandparents had to under Bob Menzies. Prior to Chipp becoming the Minister for Customs, one in two US *Playboy* magazines were banned in Australia and all decisions by Customs officials were kept secret. Don Chipp changed all this by simply making the "banned list" public. Thus public listing of banned books was the beginning of our national uniform classification scheme.

Free speech in Australia peaked under Bob Hawke's administration. Gareth Evans' first Classification Act in 1983 was a landmark civil libertarian response to a rapidly changing entertainment media: the introduction of video had given consumers more power to decide what they would watch. For the adult industry, this was a boom period. But in terms of censorship, it's been downhill ever since — and things don't look like changing under Kevin Rudd's leadership.

In the 1990s, Paul Keating personally intervened on film and computer game classifications by introducing an upper level to the M rating — MA15+ — and then restricting the new computer games industry to that same MA15+ level. This issue is still being hotly debated in State and Commonwealth Attorneys General Meetings.

The war against censorship lost significant ground during the Howard years as an outright assault was launched on telephone sex, early internet content, TV and film guidelines.

Firstly, we saw the premium rate adult phone services restricted to 1901 number with an opt-out filter. If you wanted to access these services you had to apply in writing to your telco. Of course very few people did this and the multimillion dollar industry moved offshore. We then saw the further restriction of the X classification: all fetishes were deemed offensive and removed from the classification. They even banned foot fetishism and mild spanking on adult videos! This was of course better than Howard's promised ban but it was not in step with community attitudes at the time. Eight national polls conducted by Roy Morgan Research and the McNair group between 1992 and 2006 showed that on average 72 per cent of Australians wanted X rated films legalised around the country.

The Howard government also banned the hosting of X rated material by Australian ISPs. The then communications minister, senator Richard Alston, proudly announced that Australia would

have a porn-free internet. For this he was dubbed the "[global village idiot](#)" by a number of international internet companies.

And now Kevin Rudd is following Howard as he seeks to coddle us in a retrogressive online censorship regime.

It's time political parties made the sort of censorship laws that their stated philosophies would logically promulgate rather than the opposite. This year the ALP posted a Consultation Draft of the new National Platform [on its website](#) and invited discussion from the public and members alike. Unchanged at Point 54 is the single sentence policy on censorship:

"Labor believes that adults should be entitled to read, hear and see what they wish in private and in public, subject to adequate protection against persons being exposed to unsolicited material offensive to them and preventing conduct exploiting, or detrimental to the rights of others, particularly women and children."

The policy is listed under the heading "Defending free speech". Their 2007 election promise reads as follows:

"Labor will: Provide a mandatory 'clean feed' internet service for all homes, schools and public computers that are used by Australian children. Internet Service Providers (ISPs) will filter out content that is identified as prohibited by the Australian Communications and Media Authority (ACMA). The ACMA 'blacklist' will be made more comprehensive to ensure that children are protected from harmful and inappropriate online material."

As many have commented on [newmatilda.com](#) and elsewhere, the clean feed proposals on the table are even more draconian than this.

Point 54 should be the basis for all federal ALP censorship laws and the equivalent state laws where the ALP is in office. Otherwise it's a hollow promise intended to keep people feeling good about Labor being in charge of their civil liberties.

This policy hypocrisy has not been without consequences. Research by the Eros Association has shown that over the last 20 years, state Labor governments have created a \$40 million black market in adult films by maintaining a prohibition on them even after they have been given the okay by the Federal Classification Board. Effectively this policy saw State Attorneys General like Rob Hulls in Victoria and Bob Debus in NSW threatening to send people to jail for selling films that John Howard's censors had approved.

Under ALP policy, the federal platform should override any inconsistencies with state platforms. Sending vendors of adult films to jail is light years away from Point 54 of Labor's federal platform.

It is true that when it comes to minors having access to adult material on the web, there are problems. Unlike in an adult shop — where the owner simply throws out pimply faced boys — the internet is not equipped with a bouncer to check ID. But there are numerous tools available to parents and educational institutions to restrict access. Education, as usual, is the key here and if parents or schools want to opt into an ISP-based filter, then there are already companies offering this service. It does not require a compulsory filter that will block all adults from accessing otherwise legal adult material. These arguments have been articulated in many outlets.

Although the Coalition is currently opposing Conroy's clean feed proposal, when it comes to freedom of speech and censorship issues, there is now little difference between the major parties. Conroy's attempt to filter the internet is in large part a copy of John Howard's 2007 [attempt to introduce legislation](#) that would

stop the *Big Brother* "Turkey Slap" from being re-broadcast on Australian television, mobile phones and computers.

Howard's Online Content Services Bill was drafted in January 2007, just in time for the November election. Access to the first draft of this legislation was restricted to a handful of people but it was nevertheless leaked to the Eros Association and Electronic Frontiers Australia. This draft contained lengthy jail sentences and six figure fines for companies and individuals who created, uploaded or hosted adult content on the internet. Where the content was hosted had no impact on liability to prosecution. If the content was created or uploaded in Australia and the provider or creator was based in Australia, there would be a case for prosecution. The words "with an Australian connection" were repeatedly used in the draft legislation.

In the online context, "adult content" is defined as Refused Classification, X or R-rated filmed material and Category 1 and 2 Restricted publications. In the draft, R-rated content was to be exempt if there was a satisfactory age-verification device in place but this did not flow for the other categories. Category 1 magazines that were freely available in newsagents around the country could have had their electronic versions banned and the publishers sent to jail for two years. Category 1 publications include Madonna's coffee table book *Sex*; all books by David Hamilton, who moonlights as a photographer of European royalty, and all of ACP's restricted magazines.

[The Eros Association](#), which represents the adult retail and entertainment industry, worked with two large mainstream groups who would be adversely affected by the proposed Online Content Bill. The Australian Publishers Association (APA) represented the distributors of many erotic and "bodice-ripper" publications that would have been caught up in this legislation. ACP magazines also produced some adult publications which were about to be taken online and would have run foul of the new regulations.

Eros approached the Liberal Party organisation rather than the parliamentary wing to let them know about how unpopular this legislation would be within the business community — as well as to the four million consumers of adult erotica out there in Voterland. Our bottom line was that if these draconian laws came into effect, we would organise to email and mail these four million adults asking them not to vote for the Coalition and pointing out how severe Howard's government was on censorship issues. Sending company directors to jail for uploading content that was being sold at the local newsagent, they looked totally out of touch with reality.

In the end, this strategy proved effective. The second draft of the Bill which surfaced about two months from the first, had had all the criminal provisions removed as long as content was hosted off shore — basically as it was under the 1999 Online Services Act.

This was not the first time that these reforms had been tried. In 2004 the NSW became the first state to attempt to legislate the enforcement provisions of the Commonwealth's 1999 Online Services Act. This would have meant jail terms and large fines for anyone in NSW who created or hosted adult content for upload anywhere in the world. This included amateur couples who may have posted their explicit nude photos to a swingers site in New York. This legislation gave police the right to break down the doors of anyone suspected of running adult content on websites. All they had to do was show a connection between the image and the person living in NSW.

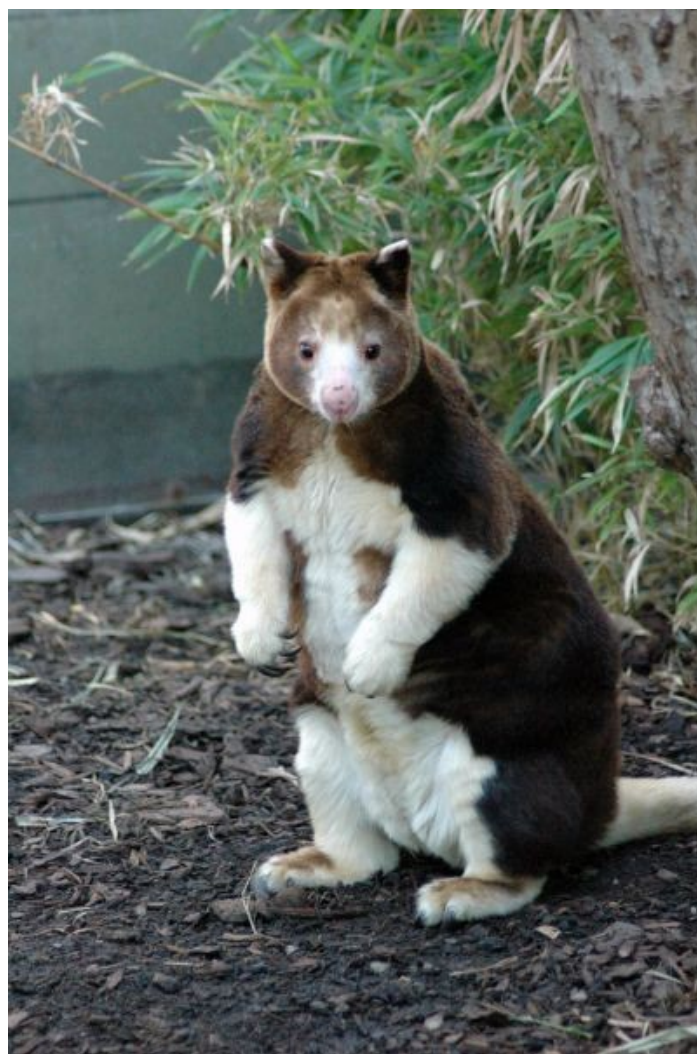
Eros tackled this legislation as it passed through the Upper House in the NSW Parliament in the early hours of the morning.

The next day, before the legislation could be sent to the NSW governor for "Royal Assent", we convinced the then Attorney General Bob Debus to intervene and, with ALP Upper House members Meredith Burgmann and Amanda Fazio, managed to pull the Bill back to an Upper House Committee where it was agreed that it was not in their interests. Although still a law on the NSW Statute Books, it has never been enacted.

It was in response to these censorship debates that the [Australian Sex Party](#) (of which I am Convenor) was formed in 2008. The NSW and WA Liberal parties have turned into breeding grounds for extreme right wing religious ideologies and the National Civic Council and the old DLP are regrouping as spurious "inter-faith" organisations. With the demise of the Democrats and the Greens' retraction of their former progressive platform on moral issues, Labor's abandonment of their policy platform on censorship has proceeded unchecked. As reactionary religious groups and moral crusaders are grabbing hold of more and more politicians, there has never been a greater need for a strong voice against censorship and for free speech.

Not worried by Conroy

Tree Kangaroo



The More Things "Change"...

By Tim Gatto July 12, 2009 – ICH timgatto@hotmail.com

Every one of us has their own "take" on what is happening in this brave new world. I am no different than most, I also have an opinion on what's going on. When I write an article I usually have no problem giving my opinion as to what is really happening. This time however, I'm going to try not to give my opinion. I only want to present the facts as I understand them. The truth is much more damning than any opinion I could offer, as Sgt Joe Friday once said in *Dragnet*, an old TV police show; "Just the facts Ma'am, just the facts".

Let's start with the two political parties that supposedly "run" this country. The truth is that political parties don't run this country, money does. Our entire political system is based on wealth. This has been true in some degree since the day we gained our independence, but it has never been as apparent as it is now. Money drives political campaigns. All the politicians know this and so do most people. Senators Russ Feingold and John McCain tried to reform the way that political campaigns were financed, but by the time the reforms were passed by Congress, the politicians and lobbyists had gutted the bill, making it so weak that it was too little, too late.

We, the people, are supposedly equal under the law, and we are, except that some are more equal than others depending on their net worth and how their money is used. During the last presidential election, money coming from "ordinary folks" in a "populist surge of donations" put Barack Obama over the top and they supposedly carried the day.

It never happened.

What really happened is that the people who controlled the financial sector of the economy saw a massive train wreck about to happen and they needed someone malleable and ambitious enough to work with them to clean up the mess that would follow. At that time, A junior Senator from Illinois with his golden tongue a good understanding of quid pro quid, stepped into the batter's box. The financial sector then showered him with campaign funds in order to minimize the catastrophe that was, beyond a shadow of doubt, going to happen. The truth was that everyone in government, and those working in the financial sector, knew that the only recourse available to prevent a financial meltdown, was for the Federal Government to bail out the bankers, the stock exchange, the real estate market and the hedge fund people, mortgage lenders and the manufacturing base (Automobile manufacturers and the defense industry).

Let's take a look at campaign financing. Obama raised \$745 million, McCain raised \$368 million.

Finance, Insurance & Real Estate: \$130,634,154 Total.
Democrats \$69,987,307 GOP: \$60,525,764

Total for all candidates Finance, Insurance & Real Estate:

Total Individuals PAC'S To Democrats To Republicans

2008 \$468,809,924 \$396,331,007 \$72,478,917 \$238,597, 503
\$229,267,201

Securities and Investments

Total Individuals PAC'S To Dems To Republicans

2008 \$154,918,793 \$143,495,995 \$11,422,798 \$87,965,961
\$66,736,485

When it comes to influence, the average American has very little. It's amazing when you consider how the political parties

package their candidates. They use the oldest trick in the book to win elections. Divide and conquer. Left, right, rich poor, black, white, legal, illegal, it's all a ruse

The hot-button issues still resonate; abortion, gay and lesbian, health care, education and taxes and the all-important "national security" as if Venezuela were to suddenly invade the Gulf of Mexico with help from Bolivia.

Our lawmakers have broken the backs of the Unions. They pass agricultural laws that drive independent farmers out of business because the costs of doing business have become astronomical. Standard Oil, AT&T and big Pharmaceutical companies merged with their competitors and drove smaller operations out of business.

Our nation is continuously at war. The War on Drugs, the War on Crime, the War on Terrorism and the War on Climate Change challenge our resources so that we now fight wars for these resources. We celebrate our freedom while our phones are being tapped, our e-mails read and collected, our computer keystrokes are recorded and plans for an RFID chip in a National ID card are being planned.

These are not right or left issues or liberal/conservative issues. Until 2008 the Republicans spent money like drunken sailors on liberty, now the Democrats find themselves buying American auto manufacturers and controlling interests in banks and insurance companies. We buy American dollars from the Rothschild's and the Mellon's and the Rockefellers at interest through private banker that have the audacity to call themselves "The Federal Reserve" We cannot print our own national currency; this was a primary reason we fought to free ourselves from Great Britain. Our money comes pre-packaged with debt attached.

Congress denies legislation for Americans so that they may stay in their homes while authorizing 80 million in additional funds so that we can continue to send unmanned drones into Pakistan to bring death from the sky blasting suspected Taliban forces that turn out to be wedding parties and picnics.

Our "Shining City on a Hill" has caused more than one million dead Iraqi's and over four million refugees. Our thousand points of light are actually depleted uranium projectiles that emit alpha radiation that bring death in the form of fission and birth defects to Iraqi children Along ken strands of DNA in our soldiers that bring deformities to American children. A thousand points of light in the form of white phosphorus that when burning, doesn't stop until it has burned through flesh and bone until it lands on dirt.

We watch as American and NATO troops take the Helmand Province in Southern Afghanistan that will be used for the all important oil pipeline that was planned by UnoCal years ago when President Karzai, the Afghan leader worked for the American oil company. Now we have permission the fly over Russia to resupply Afghanistan with soldiers and instruments of war while the Russians sit back and watch our people die.

The American people are slowly realizing that we have traded one war-monger for another. Once we were in Afghanistan to fight al Qaeda, now we are trying to kill the Taliban. In reality we are killing anyone that stops us from building that oil pipeline.

Almost a decade ago we saw a candidate tout "compassionate conservatism". Nothing was further from the truth. Now we have a President that speaks of "change". The only change I see is a different battlefield for people to die.