

Citizens Electoral Council of Australia

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Independent Political Party

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SA nuclear findings distorted by 'market' brainwashing

Australia's economic future is being sabotaged by free market assumptions that decision-makers impose on infrastructure planning. A stunning case in point is the tentative findings of South Australia's royal commission into the nuclear industry, announced this week.

While the royal commission did concede that nuclear power is safe, which is a major leap forward, it concluded that Australia should be denied this safe, energy-dense power source, on the basis that nuclear power generation would be economically unviable here. Without going into all the detail, this finding was based on certain flawed assumptions:

That the cost of building a 1,125 MW nuclear power plant would be more than \$9 billion; nuclear experts, however, put the actual cost of a plant of that capacity at less than half of that.

More glaring is the royal commission assumed a borrowing cost—cost of capital—of 10 per cent interest. This is not even a flawed assumption, *it is fraud*, born of the brainwashing that comes from the "free market" ideology, which insists all economic functions should be for financial profit and opposes government intervention in the economy. The truth is that the world today is stuck in *record low* interest rates, even *negative* rates in some places! To assume a 10 per cent interest cost is not a miscalculation, but a transparent attempt to stack the deck against nuclear power.

An Australian nuclear industry could easily be funded. The very best way would be for the Australian government to establish a national bank modelled on the original Commonwealth Bank, which could create credit at 1-2 per cent interest to finance this project; because nuclear power would be transformative and productive, the credit would be secure. However, that

would require a political shift, to return to national banking; short of that, the government *right now* could borrow *at its own bond rate* of 2-4 per cent to fund this project. Alternatively, the government could make it a special investment project for everyday Australians, by announcing an infrastructure bond issue that pays 5 per cent, reserved for Australian retirees and super funds to invest in a transformational Australian project, *and that the investment will be guaranteed*. Just as the people of Egypt lined up to invest in the New Suez Canal, Australians would rush to invest in such a project.

To assume financial parameters that make infrastructure unnecessarily expensive, just so private investors can extract huge profits from a project, is fraud. This also applies to Infrastructure Australia's latest *Australian Infrastructure Plan*, which the 17 February *Australian Financial Review* reported "calls for the creation of a national transport market, completion of national energy, water and telecoms markets, *more user charges and a radical upheaval in the way governments plan and fund infrastructure*" (emphasis added). The latter refers to user-pays charges for all roads, involving "GPS tracking and big data to charge vehicles according to actual usage"—essentially a private surveillance apparatus enforced by the state to extract corporate profits, which is the very essence of fascism (corporatism).

Australians must reject these assumptions and realise that with a national bank, and an intention to put to use the \$2 *trillion* in Australian superannuation funds, for infrastructure investments that will increase the nation's productivity—the only way to create prosperity and to properly fund retirements—there is plenty of money.

ORDER FREE NC

For a free copy of the CEC's vision for Australia's future economic development *The Infrastructure Road to Recovery*, which includes a detailed proposal for an Australian nuclear power industry, call toll-free 1800 636 432, or send this coupon to:

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25 February 2016

Parasites, Inc.: Infrastructure Australia plans privatisation spree

Infrastructure Australia's (IA) February report¹, *Australian Infrastructure Plan: Priorities and reforms for our nation's future* is in reality opposed to nation-building infrastructure; it's a call for a Mussolini-style corporatist, i.e. fascist model of user-pays infrastructure where the public will be bled dry to feed the blood-sucking bankers of the City of London and Wall Street.

Given its corporatist agenda, it is fitting that former Macquarie Bank directors Michael Carapiet and Gerard Blood sit on IA's board: Macquarie Bank gained notoriety as "the millionaire factory" for fleecing the public by taking over infrastructure once run by the government for the common good. It is therefore no surprise that the IA report calls on government to privatise every last bit of infrastructure that can provide an income stream for the financial oligarchy. It even calls for the government to enforce a captive market for their profits, through "direct user charging for all vehicles within 10 years" and the "implementation of supporting technologies" to achieve this.

Major infrastructure requires enormous quantities of steel and concrete and a lot of energy, which will naturally increase carbon dioxide emissions. But the IA report calls to reduce emissions: "Governments should set long-term reduction targets and maintain consistent regulatory frameworks to encourage industries to innovate and plan for a reduction in emissions." Carapiet, who until recently was a board member of the Clean Energy Finance Corporation, has a record of promoting the "green" alternatives associated with the carbon accounting embraced by investment bankers (see The Great American Bubble Machine on the Goldman Sachs carbon trading scam²).

Continuing with the "green" theme, the report states we "should also encourage growth in renewable energy. Technologies such as smart meters [which IA calls to introduce nationwide] and battery storage systems will alter patterns of energy supply." Rather than build sufficient electricity generation capacity to cater for peak demand, IA calls to introduce



"strong price signals to shift consumption patterns", i.e. expose consumers to energy market speculation that can drive wholesale electricity prices from \$30/MWh to \$12,500/MWh; and, of course, electricity "generation, network and retail businesses still in public ownership should be transferred to private ownership as soon as practicable."

IA board member Peter Cornish held the post of Commissioner of the National Water Commission in 2005-08. This is the commission that audited the disastrous Murray-Darling Basin Plan—a plan that has crushed agriculture, diverting water from productive farms into swamps, and out to sea, as so-called "environmental flows". The IA report calls for a "new national body and water reform plan" to "energise governments and communities to complete water reforms, building on the success of the National Water Initiative." This is the National Water Initiative behind the Basin Plan; somehow, destroying agriculture and rural communities is judged to be a success.

The IA plan outlines a 15-year reform agenda, by which time IA estimates Australia's population will be over 30 million, up from the current 24 million. The authors provide no major infrastructure plans to support this growing population. Their priority list of infrastructure mostly addresses transport and urban congestion; they recommend "greater cost recovery from public transport passengers". They don't have any high-speed rail proposals other than preserving a Brisbane-Sydney-Melbourne corridor of land for some project to be considered in the distant future. There is no reference to nuclear power in the report. There are no plans to build water diversion schemes such as the Bradfield or Clarence River Schemes. In fact, they have no plans for major dams at all: "In the water sector, supply may be readily expanded without constructing new dams" by means such as "smarter use of stormwater flows".

IA claims that "funding for public infrastructure is available from only two sources: taxpayers and users." This is a lie. New infrastructure should be funded with new credit from a government-owned national bank (see "People's Quantitative Easing": The principles behind it³). A growing economy needs a growing monetary supply and it is government's responsibility to ensure that there is an increase of money in circulation as production and population increases, along with the additional infrastructure that supports this growth.

1) <http://infrastructureaustralia.gov.au/>

2) <http://www.rollingstone.com/politics/news/the-great-american-bubble-machine-20100405>

3) http://cecaust.com.au/releases/2015_08_17_Peoples_QE.html