

SOVEREIGNTY OF AUSTRALIA

For almost the past half century Australia has been sleep walking towards the edge of a cliff. Following UN dictated policies and globalist ideals Australia has been outsourcing its future to other countries. Whereas we were once self-sufficient in essential products we are now incapable of producing most of what we need to maintain our standard of living. This has been a bi-partisan agreed objective that has reduced Australia to the status of a 'colony' supplying raw materials to other countries to turn into manufactured goods which they then sell back to us. As the raw materials have less value than the manufactured goods we want, we have a structural trade deficit in near perpetuity. We now have to borrow \$Bns from the manufacturing nations to buy the goods we want. This is unsustainable if Australia is to retain any sovereign independence.

As the current pandemic has brought to light, globalist economics are a threat to Australia in three ways:

1. The manufacturing countries we **depend** on to buy our primary products can very quickly ruin our economy by stopping purchasing for even just a few short months;
2. They can withhold supplying Australia with essential products, such as medical supplies as a 'punishment' for criticising them or their policies, thus causing real harm to Australia and its citizens; and
3. They can **demand** compliance due to our debts and reliance on the goods they supply.

This has been going on for so long it cannot be corrected quickly, but a start must be made – **NOW!**

If Australia is to remain a sovereign nation able to independently make its own policies we must begin to rebuild many industries, accumulate stocks of critical materials and form a broader range of international trade alliances that do not leave us vulnerable to threats and intimidation by any one nation or consortium of nations.

There are three inter-related policy areas:

- Critical Industries
 - Critical Reserves; and
 - Strategic International Trade Alliances
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CRITICAL INDUSTRIES

We need to rebuild Australian industrial capabilities by encouraging companies through tax incentives, guaranteed government purchasing contracts and quotas in the following areas:

1. Ensuring that Australia has sufficient oil refining capacity to meet all domestic requirements for aviation, transport and defence;
2. Food and fish producing capacity sufficient to meet all domestic requirements before imports of key foodstuffs are allowed;
3. Designating drugs and medical equipment that must be produced in Australia (under license, if necessary);
4. Ensuring or re-establishing the capability to smelt and refine high-grade steel, aluminium, nickel and other ores for both domestic and export markets. This will require the companies involved to be fully Australian-owned as they may receive both financial assistance and tax incentives;
5. Re-establish a manufacturing industry from design to production using as much Australian input as possible. This will require additional policies on labour reform to be effective;
6. Devise a national infrastructure plan and create the industrial capacity to ensure we have the Australian capability to deliver it. This includes dam-building (leading to a requirement for substantial cement and steel industries, etc);
7. Rebuild our Defence Industries to provide the capability to produce, modify, upgrade and maintain a wide-range of equipment.

These policies should be integrated with others into a complete package that is aimed at maintaining the independence and sovereignty of Australia.

CRITICAL RESERVES

FUEL RESERVES & REFINING CAPACITY

Preamble

This combines elements of three overarching areas concerning the:

1. national ownership and management of **Critical Assets**;
2. holding and maintenance of **Critical Reserves** of commodities regarded as essential, under national control and must be immediately available for national use (and not subject to short term supply chain disruption); and
3. Retention of the **Strategic Manufacturing** capability to turn those reserves held as raw materials into the required end products.

Examples of the type of critical reserves that are required are defined as:

- medical supplies, vaccines and drugs,
- liquid fuels and gases (both in crude and refined forms),
- specialist lubricants,
- refined metals (plate steel, aluminium, lead, zinc, nickel, tungsten & cobalt),
- grains, and
- Selected high-tech components.

This proposition deals with the holding of **Fuel Reserves** and the capability to **Refine** part of these reserves into the required products

Background

Because of Japan's aggression the US imposed an embargo on oil exports to Japan. This precipitated Japan's entry into WW2. Japan struck south to capture the oilfields of Borneo and Indonesia.

Essentially, nothing has changed today as access to a plentiful supply of fuel oil is necessary for national survival to support the readily available transport and distribution of all the goods necessary for urban living.

As a result of WW2 exposure to the vulnerability of supply chain disruption, Australian political leaders were well aware that unless Australia developed its own oil supply we would constantly be at risk. The Federal Government subsidised seismic surveys and the drilling of oil wells. Large oil and gas fields were found in Bass Strait, but production from these wells was not competitive against the price of Middle Eastern oil. The Federal Government instigated a tax policy that made Australian motorists pay a premium so that BHP and Exxon could be subsidised and make an economic return from their Bass Strait Wells. That policy paid off during the first oil shock in 1973 resulting from the Yom Kippur War. Australia was largely immune to the economic disruption that most of the rest of the world suffered.

Australia remained largely self-sufficient for oil until production began to decline around 2000. We were also self-sufficient in refining capacity. About the same time as the decline in Australian production, imports began to make up the shortfall. Fuel refiners and distributors were allowed to close oil refineries and bring in refined product on a just-in-time basis in order to minimise the amount of capital they tied up in inventory. In 2020, the four refineries that remain are optimised to refine the heavier Middle Eastern crude rather than the light-oil Australian types.

Despite Australia having signed on to an international convention to hold 90-days' supply of designated refined products, Australia actually operates on a margin of about two weeks' fuel stocks for *normal* operations. If the shuttle of foreign tankers sailing to these shores is interrupted for even two weeks, the whole country will shut down soon afterwards.¹

The Federal Government has failed to meet its agreed international obligation to build a national strategic stockpile of oil and refined product.

The Current Situation

The US shale oil production boom, which peaked at about 8% of total world supply is unlikely to be repeated and is already in decline. In turn the international oil price will inexorably begin to rise again to possibly greater than \$100/bbl. The most recent political proposal to build an electricity generator using Natural Gas in the Hunter Valley (on top of 500 years supply of coal!) is a wasteful to use natural gas for power generation when its best future use will be as a fuel for vehicles.

The current annual Australian requirement for basic fuels is:

Petrol	= 113 million barrels
Aviation Turbine	= 60 million barrels
Diesel	= 189 million barrels

In rounded terms, this equates to about one million barrels per day.

The annual production capacity of the four refineries is:

Altona	= 31 million barrels
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¹ This disruption occurred in 2017 when a single tanker was a week late arriving in Melbourne with Avgas, resulting in several commercial flights being cancelled. Planes flying into Melbourne had to carry enough fuel for the return trip to Sydney and international flights were first redirected to Sydney to refuel before coming to Melbourne.

Lytton	= 41 million barrels
Geelong	= 47 million barrels
Kwinana	= 54 million barrels

The total Australian refining capacity equates to 174 million barrels, which is just under 50% of normal consumption for normal operations.

Exploration

Both the Federal and State governments have virtually banned, blockaded and prevented meaningful onshore and some offshore exploration for new resources. They have achieved this deleterious result through legislation, 'Green Tape' and excessive environmental restrictions. Australia has significant reserves of coal, oil, gas and uranium, but no political will to exploit these enriching assets. These restrictions must be lifted if Australia is to remain a wealthy, coherent and sovereign nation.

Oil Reserves & Refining Policy

There are many things that impede and many that will enable a way forward, some of which that should be addressed include but are not limited to:

1. Repeal the National Greenhouse and Energy Reporting Act.
2. Remove the option of adding ethanol to petrol blends.
3. Remove all 'Green Tape' legislation and amend the environmental legislation so that the loser of an environmental issue court case pays all the costs for both sides. If the court decides the action was politically motivated or frivolous, compensation can be paid.
4. Establish a strategic oil supply in Australia of at least 200 million barrels of crude oil to be monitored by a Federal Government Agency.
5. Establish a strategic reserve in Australia of at least 60 million barrels of selected refined products to be managed, maintained and turned over by a Federal Government Agency.
6. Through tax incentives and direct government investment, develop and maintain a refining capacity capable of processing 60% of Australia's annual consumption of fuel oils.
7. Encourage the upgrading of one of Australia's existing oil refineries to optimise the processing of Australian crude oils.
8. Develop a coal-to-liquid fuel industry based on the Bergius process (which has a higher product yield per tonne of coal relative to the Fischer-Tropsch process). Six plants capable of producing 5,000 barrels per day will be distributed around the country's coalfields to provide supply security.²
9. The Dorado oilfield offshore from Port Hedland has all production being exported as non-value added crude oil. The Licensees of the field should be required to pipe a portion of their production ashore to a topping refinery to be built at Port Hedland.
10. Any further action by BP to close the Kwinana (WA) Refinery must be stopped and immediately purchased by the Federal Government if needs be.

² When the oil price rises through about US\$120/barrel it will be economic to convert coal to diesel, petrol and jet fuel. This is a capital intensive process in plants that require a minimum production scale from a base of 5,000 barrels per day.

STRATEGIC TRADE and TRADE ALLIANCES

Preamble

Since the days after Australia became relatively self-sufficient in food, it also then grew as an innovative and manufacturing exporter. In doing so it became one of the richest nations in the world with a stable political system, a vibrant culture and a relatively balanced society.

It was recognised that the population was too small to do everything so heavy industrial products (railway rolling stock, telegraph and communications equipment, ships and fuels) would have to be imported. Australia had a positive balance of payments and paid for these goods with primary products such as meat, wool and grain (mainly to the UK).

For almost the past half century Australia has been sleep-walking towards the edge of a trade cliff. As described in the opening section of this paper, thanks to UN dictated policies and globalist ideals Australia has been outsourcing its future to other countries. Whereas we were once self-sufficient in essential products we are now incapable of producing most of what we need to maintain our standard of living.

This is unsustainable if Australia is to retain any sovereign independence.

Australia is now dependent for its standard on the sale of iron ore, coal, minerals and to a lesser extent on meat & grain sales to a handful of countries.

As the current pandemic has brought to light, globalist economics are a threat to Australia in three ways:

- 1 The manufacturing countries we **depend** on to buy our primary products can very quickly ruin our economy by stopping purchasing for even just a few short months,;
- 2 They can withhold supplying Australia with essential products, such as medical supplies as a 'punishment' for criticising them or their policies, thus causing real harm to Australia and its citizens; and
- 3 They can **demand** compliance due to our debts and reliance on the goods they supply.

If Australia is to remain a sovereign nation we must begin by reviewing all trade agreements, tariffs, customs barriers and tax incentives to ensure they are either favourable to Australia, or are at least not detrimental to our sovereign interests. Any that do not support the three related critical strategic areas, or are unfavourable to Australian interests must be cancelled or renegotiated.

Australia must be capable of independently making our own equitable trade policies that do not leave us vulnerable to economic or political blackmail by any nation. Currently Australia has become overly dependent on China that it is now susceptible to political, economic, diplomatic and military pressure. We need to develop, promote and advocate Strategic Trade policies that reduce and eventually eradicate this subservient situation by promoting fair and equitable trade agreements on an unbiased basis of equal status.

Strategic Trade & Trade Alliances

Australia should develop these Strategic Trade & Trade Alliances based on the following principles:

- No trade agreement can be proposed that is detrimental to Australian interests or sovereignty (e.g. this will mean abrogating the 1973 Lima Agreement, Agenda 2030 – and several other treaties and agreements, many of them globalist constructs of the United Nations).
- All trade agreement must comply with the three inter-related key Critical Industries, Critical Reserves, and Critical Assets proposals.
- There must be reciprocal import/export arrangements for designated products.
- No trade agreement should be forged with any country that supports advocates or imposes policies that are inimical to Australian values. We may trade with them on occasion as the necessity arises, but no agreement conferring any special rights or obligations shall be entered into by Australia.
- No single country or market shall be allowed to dominate any economic sector. When a single country (or like-minded group of countries) exceeds a 25% share of the market, the government will accept the role of assisting that sector find additional markets to dilute that dominance and vulnerability.
- Australia should encourage and support all export industries to provide value-adding capabilities to their products prior to their being exported.
- Exceptional efforts should be made to develop strategic trade relationships and alliances with other democratic nations on an equitable and global basis. Some of these already exist, but as an example, this could include: Argentina, Brazil, Cambodia, Canada, the European Union, Japan, India, Indonesia, Israel, Malaysia, Mexico, New Zealand, Singapore, South Korea, UK, USA, Vietnam and others.

Implementation

Every effort should be made to rebuild the Australian national self-confidence and faith in its capabilities to be sovereign and independent through the implementation of these pillars.

Those core assets, products, capabilities and services that we can provide for ourselves should be encouraged through tax incentives, guaranteed government purchasing contracts and import quotas where necessary.

Australia has a long and proud history of innovation, personal initiative and entrepreneurship that must be revived and encourage in conjunction with our trade partners.

These propositions should be integrated with others into a complete package that is aimed at maintaining the independence and sovereignty of Australia.

NATIONAL ENERGY GENERATION

Preamble

Australia is asset rich in the basic fossil and mineral commodities needed to generate inexpensive, reliable electricity.

We have an abundance of both high quality black coal and lower quality brown coal (that has less calorific capability and therefore requires more coal to be burnt to produce the same quantity of electric power). Australia also has an abundance of gas and one of the biggest reserves of Uranium and Thorium in the world, should we wish to choose the nuclear energy path to produce electricity.

In Tasmania, hydropower is sufficient to meet that State's needs and allow for some export of surplus electricity generating capacity to Victoria via an undersea cable across Bass Strait.

Known oilfields are limited and their output is currently declining, yet exploration for new fields in the most likely areas has all but been banned. Current and projected production from existing assets is already unable to meet our national requirements.

Offshore gas is plentiful, but due to a lack of foresight huge export contracts were let (in return for investment in the development of the fields) to the extent that not enough gas was retained to meet domestic industrial and household requirements. Consequently, Australians pay more for their gas than those to whom we export our gas.

Solar, wind, geothermal and other exotic means of electricity production are expensive, unreliable and of a very low efficiency. Despite the hype and propaganda this truthful situation is unlikely to change as the immutable laws of physics preclude significant improvements in the foreseeable future.

Background

Australia was once the economic envy of the world. Within a century of European settlement settlers had found gold and minerals in abundance. Pioneers had developed vast cattle & sheep stations and dairy and grain farms. There was a nation-wide 'can-do' spirit that produced a confident, self-reliant, risk-oriented and equitable society based on reaping the entrepreneurial rewards (or personal calamities) of 'having a go'.

Coal-fired power stations provided the cheap electric energy needed for smelting, metal-working, every kind of manufacturing industry and ordinary households. In Victoria, the innovations required for the exploitation of the vast deposits of 'brown coal' in Gippsland were researched and developed. Every state participated with its own generation, sufficient to meet all current and future needs.

From the late 1980's to the present a new ideology of 'environmental alarmism' has arisen with the indoctrination of children (and the public) into believing that Planet Earth and all life on it doomed due to one of many possible catastrophic events all resulting from mankind's influence on the environment.

In the past 75 years we have had nuclear war, nuclear accidents, resource exhaustion, over-population, famine, acid rain, ozone depletion, global cooling, global warming, cosmic events, 'mass extinctions', pandemics, etc. None has even remotely threatened the existence of our (or any other) species. However, the effect of this constant bombardment of propaganda has succeeded by affecting public perceptions, resulting in an almost cultist demand for 'renewable energy' and a reduction (or elimination) of CO2 emissions. This irrationality is a factor that must be considered and dealt with robustly.

Until about 2000, Australia had one of the lowest power costs in the world. This was important to the competitiveness of our industrial and manufacturing industries as it allowed Australia to pay high wages and funded our standard of living while still remaining internationally competitive. In just two decades our competitive advantage has been destroyed by mandating that high levels of irregular, destabilising solar and wind power electricity must be fed into the grid when available. Neither of these power sources is renewable, nor reliable. Solar PV panels, for example, are largely made in China using coal power at US\$0.04/kWh while one of their base ingredients is melted coal. When installed, the price of the power they produce is equivalent to that of diesel at about US\$0.20/kWh. If you tried to use power from solar PV panels to make more panels, the power from those panels would cost more than US\$1.00 per kWh. The same cost structure holds for wind power. A society based on renewable energy would economically collapse immediately. Both the Labor and Liberal parties are irrationally committed to adding more solar and wind power to the grid.

The Current Situations

The effect of all Australian mainstream political parties' energy policies is to ensure that Australia will inevitably terminally decline as a sovereign nation and become (by definition) a 3rd world country with an expensive, intermittent and unreliable electricity supply that will destroy all of our energy intensive industries and drive them offshore. Some politicians are aware of this, but they are concerned that if they do not appropriately 'virtue-signal' their support (irrespective of their knowing the real outcome of their policies) they will be 'cancelled'. For the totalitarian socialists, their bizarre objective is to engineer an artificial shortage of electricity that will give the Federal and State governments a requirement to control and ration the limited supply (perhaps using the Chinese Communist Party's 'social credits' method to give special treatment to those it favours). The irrational panicked response to Covid-19 has provided the trigger to turn Australia from a free and culturally liberal society into a truly Orwellian dystopia.

Most Australian states have significant coal deposits that can and have supplied fuel for power generation. Despite the false 'science' and politically motivated propaganda, burning coal for power generation is a good thing. The truth is that the higher the carbon dioxide level in the atmosphere, the faster plants grow. For example, wheat yields are 20% higher now with 412 ppm of carbon dioxide in the atmosphere than if the level had stayed at the pre-industrial level of 286 ppm.

The greenhouse effect of more carbon dioxide is real but miniscule and dwarfed by natural climate change. Burning of coal is wholly beneficial.

The unscientific notion that increased carbon dioxide will cause runaway heating of the atmosphere is completely false. After the collapse of communism in the 1990's the totalitarians needed a new excuse to control society. Global warming became their religion of choice.

Belief in renewable energy is based on belief in global warming, a purely religious belief. Global warming has been discredited in science. It cannot happen in theory and there is no evidence for it happening in practice. The structure of Australia's power supply should not be based on a religious notion. It is worse than that in recently the Federal Government and others are promoting hydrogen as part of the country's energy supply. Hydrogen is not a source of energy and there are enormous conversion losses in using electric power or natural gas to make hydrogen. A consumer would be far better off using the original energy source than using hydrogen. The promotion of hydrogen is a deliberate attempt to mislead the public.

Energy Generation

There is a critical need for an immediate proposal and support for the rebuilding of our competitive electricity advantage at both the Federal and State levels. This will mean proposing and adopting the following actions:

1. Initiate the repeal of any laws that inhibit the most economical solution to providing the cheapest and most cost-effective source for the generation of electricity. This will include repealing the ban on nuclear energy and cancelling the National Greenhouse and Energy Reporting Act (NGERA) of October, 2007. Note: This is the auditing basis for the misnamed 'carbon tax'. According to economist Alan Moran this would conservatively save an estimated \$13Billion per annum currently being wasted without any environmental gain.
2. Cancel all subsidies that favour one type of energy generation at the expense of another. If wind or solar are the most cost-effective sources of sufficient power for a community or industry, then they are free to compete with alternative fossil fuels and exotics such as Hydrogen (H₂).
3. Monitoring and modelling CO₂ emissions are of no concern and will cease. This will mean abrogating the lapsed Kyoto Protocol & the UN sponsored Paris Agreement.
4. No Federal or State Government (taxpayer) monies will be invested in the worthless Carbon Capture and Storage (CCS) pseudo-science projectsⁱ. Australia spends more than \$160M/year on this 'make-work' fakery.ⁱⁱ It costs an estimated \$2,000+ to bury one tonne of CO₂, yet the largest project in Australia captured and stored a tiny 80,000 tonnes.ⁱⁱⁱ
5. Any monies paid by States to subsidise sub-optimal costly generation projects will have an equal amount deducted from their federally provided funds.
6. Review the operations and effectiveness of national electricity management (as electricity is best generated close to the population and industrial centres where it is being consumed as there is a loss when transmitted over long distances).
7. Support and propose the building of new power generators in all states using the latest technologies and most cost-effective and appropriate fuels, without favouring any particular option. If that means the best option is coal, gas, nuclear, solar, wind, geothermal, hydro, and tidal or an exotic source, then that is the project that will be supported without favour or subsidies.

The reinstatement of affordable electricity is a matter of national survival as the current policies are having the effect of de-industrialising Australia and turning us into a provider of raw materials for other more vibrant societies to process into end products. By definition, Australia is becoming a colony of the world. Without affordable electricity to sustain Australian industry and manufacturing the independence and sovereignty of Australia is at risk.

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ⁱⁱⁱ The total mass of Earth's atmosphere is about **5.5 quadrillion tons, of which CO₂ weighs 0.041%**