

## Submission to the Senate Economics References Committee inquiry into Governance and operation of the Northern Australia Infrastructure Facility (NAIF).

*Kevin Cox PhD CEO of White Label Personal Clouds (WLPC).*

WLPC is a Research Company investigating and applying ideas from Complex Adaptive Systems (CAS). One application of the ideas is to reduce the costs of debt by removing the need for banks to create money for loans. The cost reductions are close to the cost of interest charged by banks. Banks are given a license by the government to create money to provide debt. The cost of this is close to the cost of bank interest on loans. They do not need to create new money if the money already exists to provide loans. Instead of banks creating money they can organise the collection and lending of money using low-cost Complex Adaptive Systems technologies. The research of WLPC is non-proprietary and is available for use by any organisation including the banks and the NAIF and other government agencies.

The Northern Australia Infrastructure Facility appears to have been set up to continue the exploitation and extraction of mineral and oil wealth from Australia. The members of the board, the secrecy and opaqueness of the board's operation and comments from other submissions lead to the conclusion that the Board is not acting in the best interests of the people of Northern Australia.

This inquiry links to two other major problems of concern to the Senate. One is the question of foreign ownership of land in the North, and the other is the conduct of the banking sector.

The Banks have turned from funding Australian development into institutions that extract wealth from Australia and send it overseas. Once upon a time investment money came into Australia and stayed here and built industries and businesses that stayed in Australia. Today foreign money comes into Australia and buys Australia through extractive loans. Initially, it was just the mining and petroleum industry. The mining investment boom was the money coming into Australia particularly in the form of loans. The money is now going to go out of Australia as interest and repayment on loans while at the same time wealth flows out as foreign owners purchase other resources of Australia through foreign loans.

Our Banks and other financial institutions have turned from investing in Australia to becoming partners in the Playbook of Exploitation and Economic Colonialism so well described in John Perkins "Confessions of an Economic Hitman".

As composed the NAIF is part of this same group and is using the money of the Australian people to extract the wealth that belongs to the Australian People.

The NAIF is in an almost unique position of being able to change its alliances from foreigners back to Australians. It could do this quickly by using its funds to buy existing loans of Northern Australian businesses from banks. The NAIF can collect interest and repayments from these loans and do it through the tax system after the businesses make a profit. Businesses become profitable with the removal of the burden of repayment of loans and interest before the loans have earned a profit. The profits are taxed, and so the loans with interest are repaid to the Australian people.

Existing bank debt will never be repaid, and foreign money will come in and purchase the businesses and land as the debt inevitably increases.

Competition from the NAIF will force the banks into the same model of repayment of debt and interest. Businesses will repay debt and interest when they make a profit and not before.

The NAIF can help solve four problems.

It will reduce the debt of Australians to foreigners. It will stop the extraction of the wealth of Australia from Australia, it will reform the banking system to work for Australian investment, and it will give tax relief to Australian businesses, not to foreigners.

It can do all this with a change to the composition of the board from people in the extractive industries to people who understand the needs of existing viable primary producers and other wealth creating industries like tourism and who also understand that banking is about investing not just the creation of money for loans.

Kevin Cox  
27th July 2017