



Development Finance Company for Australia (and New Zealand)

By Bob McMullan
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It is difficult to know whether to be delighted or annoyed when a respected commentator floats an idea you have been developing for a while.

I felt that mixture of responses when I heard that Jim Adams [had said](#) in his Harold Mitchell lecture (full transcript available [here](#)) that it might be:

“..timely (for the Australian government) to consider a development finance company to support the development of long term finance in the Pacific. Perhaps jointly with New Zealand”

This is an idea I have been considering during my time here at the [European Bank for Reconstruction and Development \(EBRD\)](#). It follows logically from the [talk I gave](#) at ANU in 2012.

I have had the opportunity to see at first hand that the model can work for small countries as well as large ones.

My former, Austrian colleague at the EBRD just advised me that the Austrian government has set up such a company funded by their equivalent of the Export Finance and Insurance Corporation ([EFIC](#)). I am not sure that is the best idea, but it is an option.

We would join many countries such as the UK, US, Germany, France and the Netherlands (and now Austria) with such a move. My experience in the Pacific suggests that there is a definite need. The principles for developing such an institution are well established.

If Australia and New Zealand don't do it in the Pacific, nobody will.

Even in these frugal times this is an idea that might be possible and attractive to the current governments on both sides of the Tasman.

It is certainly worth serious discussion.

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About the author/s

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Bob McMullan has had a long and distinguished career in the Australian Parliament as one of Australia's pre-eminent Labor politicians. He is a former Parliamentary Secretary for International Development (2007-2010) and Executive Director for the European Bank for Reconstruction and Development.

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