

## Shorten proposes investment bank to help Pacific nations' development

Written by Michelle Grattan, Professorial Fellow, University of Canberra

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Bill Shorten is flagging that Labor would set up a government-backed infrastructure investment bank to promote concessional financing for nation-building projects in the Pacific.

In a speech to the Lowy Institute on Monday – part of which has been released beforehand - Shorten says Australia's Pacific neighbours want partners for infrastructure projects – “and as prime minister, I intend to make sure they look to Australia first.

"I see this as a way Australia can elevate our status as a 'partner-of-choice' for Pacific development and enhance security and prosperity in the region," he says.

In government, the ALP would put the Pacific “front and centre” in its regional foreign policy, Shorten says.

It would grow Australia's aid commitment to the Pacific. But while development assistance is critical “our agenda for engagement needs to be bigger and broader than that”.

“We should be encouraging others, including private firms, to invest in projects that drive development in the region: from roads and ports to water supply, communications technology and energy infrastructure.

"New Zealand are already doing this, the United States and Japan are also exploring their options. Australia should be too.

"My vision is for Australia to actively facilitate concessional loans and financing for investment in these vital, nation-building projects through a government-backed infrastructure investment bank.”

Shorten does not spell out the detail of the proposed bank, which his office said would

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encompass projects in the wider Indo-Pacific region, but with its main emphasis on the Pacific. Planning appears to be in its early stages.

In his speech Shorten, stressing the diversity of nations in the Pacific, says a Labor government would engage with these countries “through partnership, not paternalism”.

“We will listen, knowing that for our Pacific neighbours, sustainable development and poverty reduction are more than economic concerns. And we must strive to understand the socio-cultural dimensions which impact these issues.”

Labor would upgrade the position of minister for Pacific affairs, which has recently been downgraded to an assistant minister. Labor’s minister would coordinate Pacific strategy and programs across government.

“We will engage with the Pacific not through the intricacies of geopolitics – but in its own right. Our goal will not be the strategic denial of others but rather the economic betterment of the ten million people of the Pacific islands themselves,” Shorten says.

Criticising Scott Morrison’s decision not to attend the recent Pacific Islands Forum, which was held immediately after he became prime minister, Shorten says this was “part of a pattern of neglect of the Forum by Coalition prime ministers”.

The opposition leader also argues that Labor is better able than the Coalition to chime in with the Pacific countries’ concerns about climate change.

“No community of nations are more concerned about climate change – with better reason – than our Pacific neighbours. Rising sea levels are an existential threat for these nations,” he says.

“Under a Labor government, Australia will be much better placed to help our neighbours respond and to press their case internationally because we accept the science of climate

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change – and we accept the need for real action.”

Morrison repeatedly has given as one reason for resisting the push from the right for Australia to exit the Paris climate agreement that the climate issue is of major concern to Pacific countries which are in turn strategically important to Australia.

*Michelle Grattan does not work for, consult, own shares in or receive funding from any company or organisation that would benefit from this article, and has disclosed no relevant affiliations beyond their academic appointment.*

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