

**National Interest Analysis [2025] ATNIA 1**  
**with attachment on consultation**

**Nauru-Australia Treaty**  
(Canberra, 9 December 2024)  
**[2025] ATNIF 3**

## NATIONAL INTEREST ANALYSIS: CATEGORY 1 TREATY

### Nauru- Australia Treaty

(Canberra, 9 December 2024)

[2025] ATNIA 1

[2025] ATNIF 3

#### Nature and timing of proposed treaty action

1. The proposed treaty action is entry into force of the *Nauru-Australia Treaty* (the Agreement), which was signed by Prime Minister Albanese and President Adeang on 9 December 2024.
2. For the Agreement to enter into force, the Parties must notify each other of the completion of their necessary domestic requirements through an exchange of diplomatic notes. The Agreement will enter into force on the date of receipt of the last diplomatic note (Article 9(1)). Australia intends to send its diplomatic note as soon as practicable following the completion of its domestic requirements.
3. Nauruan President Adeang notified Australian Prime Minister Albanese that Nauru supported commencement by Australia of its domestic treaty process and had already undertaken its own domestic consultation process with intent to progress entry into force of the treaty as soon as possible in 2025.

#### Overview and national interest summary

4. The Agreement provides for enhanced cooperation between Australia and Nauru to strengthen Nauru's security, economic and social development, and longer-term resilience.
5. Under the treaty terms, Nauru provides a number of guarantees, including to mutually agree with Australia any partnership, arrangement or engagement with any other State in security, telecommunications and banking; to consult with Australia on any partnership, arrangement or engagement with any other State or entity relating to Nauru's other critical infrastructure such as ports, aviation and energy; and agreement that critical infrastructure shall not be used by any third party for security purposes. In return, Australia shall support Nauru to build security capability, improve fiscal stability, sustain Nauru's existing level of banking services and access to the international financial system and strengthen Nauru's fiscal and financial management systems.
6. The Agreement contributes to Australia's national security interests by deepening and expanding bilateral cooperation to support security, stability and resilience in the Pacific region. More broadly, the treaty is tangible demonstration of Australia's commitment, as a signatory to the *Biketawa Declaration* and the *Boe Declaration on Regional Security*, to finding collective solutions to our region's security challenges, and our value as economic and security partner of choice for Pacific island countries.

## **Reasons for Australia to take the proposed treaty action**

7. This Agreement meets the needs of both countries: Nauru's economic security, and Nauru and Australia's shared interests in collective security, sovereignty and prosperity in the Pacific region. The core commitments set out in the proposed Agreement relate to economic and social resilience, including with respect to ensuring Nauru remains connected to the international financial system through Australia's support for a banking solution, and a security uplift through the establishment of regional policing arrangements.
8. The Agreement significantly expands upon the *Agreement between Australia and Nauru concerning additional police and other assistance to Nauru* signed in Melbourne on 10 May 2004,<sup>1</sup> and the Security Partnership Memorandum of Understanding signed in Apia on 8 September 2017 and is a natural continuation of our longstanding close bilateral partnership. The Agreement better positions Australia to play our part in a shared Pacific that is peaceful, stable and prosperous.

## **Obligations**

### *Cooperation for Economic resilience, fiscal stability and prosperity*

9. Article 2 of the Agreement provides that Australia and Nauru commit to work together in the face of Nauru's unique economic position, including advocacy in international forums relating to Nauru's ongoing eligibility for official development assistance.

### *Banking*

10. Article 3(1) of the Agreement obliges Australia to support Nauru to sustain the existing level of banking services and access to the international financial system.
11. Article 3(2) provides that, for Australia to support sustainable banking services, Nauru is obliged to strengthen its enforcement of and compliance with its financial regulatory framework. Article 3(3) provides that both Australia and Nauru are obliged to advocate for Nauru's ongoing banking accessibility and connectivity, as appropriate.

### *Governance and transparency*

12. Article 4 of the Agreement clarifies both Parties' understanding of the role of strong financial accountability and transparency in building resilience.
13. Article 4(2) obliges Nauru to ensure integrity, transparency and accountability in its fiscal and financial management system and processes to prevent fraud, corruption and misconduct. In support of this commitment, Article 4(3) obliges Australia to support Nauru to strengthen its fiscal and financial management system, including by sharing

<sup>1</sup> [2004] ATS 21.

knowledge, skills and experience.

#### *Security and stability*

14. Article 5 of the Agreement sets out the enhanced security obligations for Australia and Nauru.
15. Articles 5(1) and (2) outline the history of Nauru and Australia's close security ties, and recognise the importance of national and regional security, and sovereignty. Article 5(3) commits the Parties to deepening and expanding their security cooperation on the basis of mutual consultation and consent.
16. Article 5(4) contains an obligation on the Parties to prioritise consultation on Nauru's security and defence-related needs, and to facilitate any mutually agreed assistance. If there is a development which threatens the sovereignty, peace or stability of Australia or Nauru, Article 5(5) requires the Parties to consult and consider whether any measures should be taken, which may include mutually agreed support from Australia.
17. Under Article 5(6), Nauru is obliged to mutually agree with Australia any partnership, arrangement or engagement with any other State or entity on matters relating to Nauru's security including maritime security, defence, policing, border protection and cyber security sectors, and Nauru's critical infrastructure concerning banking and telecommunications.
18. Article 5(7) obliges Nauru to consult with Australia on any partnership, arrangement or engagement with any other State or entity relating to Nauru's other critical infrastructure such as ports, aviation, and energy. In support of this obligation, Article 5(8), sets out the process to consult with Australia on matters identified in Article 5(7).
19. Article 5(9) confirms both Parties understand that the critical infrastructure identified in Articles 5(6) and 5(7) shall not be used by a third Party for security purposes. This reflects the depth of Australia's security partnership with Nauru.

#### *Consultation and dispute settlement*

20. Article 6 of the Agreement obliges the Parties to establish a Joint Committee that would meet at least every twelve months to discuss matters arising under the Agreement. It also provides that either Party may convene a meeting of the Joint Committee to discuss any obligation contained in the Agreement or its implementation. In such a case, the meeting would occur within two weeks of notification being provided to the other Party.
21. Article 7 requires the Parties to resolve any dispute regarding the interpretation, application or implementation of the Agreement solely by consultation or negotiation between the Parties, and not by referral to any court, tribunal or third party. Where one Party notifies the other of a dispute arising under the Agreement, the Joint Committee must be convened to begin dispute resolution. If a resolution has not been agreed within six months of the date of notification of a dispute,

either Party may suspend compliance with one or more obligations under the Agreement (Article 7(4)).

### **Implementation**

22. The obligations set out within the Agreement are not envisioned to require any legislative amendments to allow for the delivery of commitments.
23. A full domestic implementation analysis is currently being conducted and this will further identify whether any regulatory action is required to ensure consistency with the Agreement. If any other such action is required, this would be completed prior to entry into force of the Agreement for Australia.

### **Costs**

24. The costs associated with implementing the Agreement are expected to form part of the 2024/25 MYEFO Budget.
25. The Office of Impact Analysis has been consulted and has confirmed that a detailed Impact Analysis is not required.

### **Future treaty action**

26. In accordance with Article 8(1), the Parties may review or amend the Agreement where both Parties agree in writing. Any such amendment would be subject to Australia's domestic treaty-making requirements, including tabling in Parliament and consideration by the Joint Standing Committee on Treaties. Any amendment would enter into force on the date of receipt of the last notification by which the Parties notify each other in writing, through an exchange of diplomatic notes, that their respective requirements for entry into force of the relevant amendment have been completed.

### **Termination**

27. Article 9(2) of the Agreement provides that the Agreement would continue in force unless terminated in accordance with Article 9.
28. Article 9(3) provides that the Parties may agree in writing to terminate the Agreement at any time. The Agreement would be terminated on the date agreed by the Parties.
29. Article 9(4) allows for unilateral termination by either Party by providing written notice to the other Party. Such termination will become effective twelve months from the date on which the other Party received the written notice of termination. The Parties may continue to seek to resolve a dispute after written notification of a Party's intention to terminate including using the dispute resolution mechanism under Article 7. Parties can agree to extend this time, or the terminating Party may reverse its termination notification if a solution to the dispute is mutually agreed ahead of the termination becoming effective.

### **Supplementary Instruments**

30. Article 10 sets out the status of subsidiary agreements and implementing arrangements. Such implementing arrangements would come into effect concurrently on the entry into force of the Agreement.
31. For avoidance of doubt, Article 10(3) confirms that any implementing arrangements would be read together with the Agreement, and the terms of the Agreement would prevail in the event of a conflict or inconsistency between any terms of the implementing arrangements.

### **Contact details:**

Pacific Partnerships Branch  
Office of the Pacific  
Department of Foreign Affairs and Trade

## **ATTACHMENT ON CONSULTATION**

### **Nauru- Australia Treaty**

(Canberra, 9 December 2024)

**[2025] ATNIA 1**

**[2025] ATNIF 3**

### **CONSULTATION**

1. The Agreement was negotiated in-confidence following a proposal from the Government of Nauru for an enhanced, more integrated bilateral partnership with Australia. The Agreement was discussed with Pacific Islands Forum countries through diplomatic posts on the day of signature, 9 December 2024.

#### *State and Territory Governments*

2. The Agreement is not envisioned to have any impacts on State and Territory Governments.

#### *Public Consultation*

3. No public consultation was undertaken on the Agreement prior to its announcement as the Agreement relates to bilateral security cooperation and sensitive commercial matters and was still under negotiation-in-confidence with the Government of Nauru. In the interests of transparency, the Agreement was published on the Department of Foreign Affairs and Trade website immediately following its signing, and it has been the subject of academic, media and public debate and discussion in Parliament.



**Australian Government**  

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**Department of Foreign Affairs and Trade**

*Nauru-Australia Treaty*

(Canberra, 9 December 2024)

**ATNIA reference: [2025] ATNIA 1**

**ATNIF reference: [2025] ATNIF 3**



***NAURU-AUSTRALIA TREATY***

# NAURU-AUSTRALIA TREATY

BETWEEN

AUSTRALIA

AND

NAURU

**RECOGNISING** *the Parties' family connection, shared history, cultural affinity and close geography entwine our past, present and future;*

**RECOGNISING** *the enduring importance of economic and social resilience to the health and wellbeing of the peoples of Nauru and Australia;*

**RECOGNISING** *the unique culture and traditions of Nauruans and Australians, and their attachment to kinship, homeland, sea and heritage;*

**RESOLUTE** *in reaffirming the Parties' sovereignty, territorial integrity and political independence;*

**RECOGNISING** *the Parties' longstanding cooperation, mutual respect and shared interest in the stability and security of each other, embodied in Australia's role as Nauru's closest security, enduring economic and development partner;*

**RECOGNISING** *the deep foundations for our bilateral relationship, including the 1993 Joint Declaration of Principles and determined to build on the rights, obligations and commitments under agreements and MoUs to which we are both parties and participants;*

**EXPRESSING** *the intention of both Parties that our enhanced relations will be further consolidated and bolstered by cooperation as mutually agreed in relation to future bilateral, regional and multilateral agreements and MoUs to which we both become parties;*

**ACKNOWLEDGING** the enduring friendship and family ties between the people of Nauru and Australia, nurtured through generations through educational, cultural and sporting exchanges, and the movement and mobility of our people between our two nations;

**ACKNOWLEDGING** that as Pacific countries and founding members of the Pacific Islands Forum, the Parties' interests are intertwined and decisions taken by one Party affect the interests of the other;

**REAFFIRMING** a shared commitment to Pacific values in the 2050 Strategy for the Blue Pacific Continent, the guiding principles outlined in the Framework for Resilient Development in the Pacific, and the Boe Declaration on Regional Security, which affirms an expanded concept of security;

**COMMITTED** to enhancing their partnership to promote and protect the Parties' shared interests in each other's prosperity, stability and security, including by supporting Nauru to respond to key challenges relating to economic and climate resilience, as well as traditional and emerging security threats;

**COMMITTED** through our strengthened partnership to actively promote and support a stable, prosperous and secure region, Pacific-led regional security and development, as well as a rules-based international order; and

**REAFFIRMING** their respective commitments under international and domestic law.

## **Article 1: Purpose**

The purpose of this agreement is to:

- (a) reflect the Parties' unique and longstanding relationship and elevate it to an integrated economic, social and security partnership;
- (b) support Nauru's resilience to provide an enduring, more stable and better future for Nauru and its citizens; and
- (c) recognise, protect and promote each Party's and the Parties' collective security and sovereignty.

## **Article 2: Economic resilience, fiscal stability and prosperity**

- (1) The Parties commit to work together in the spirit of equality and mutual respect, to support Nauru's economic resilience, fiscal stability and prosperity.
- (2) The Parties commit to working together in international forums to advocate for Nauru's long-term economic prosperity and fiscal sustainability, relating to its ongoing eligibility for official development assistance.

## **Article 3: Banking**

- (1) Australia shall support Nauru to sustain the existing level of services and access to the international financial system.
- (2) For Australia to support sustainable banking services, Nauru shall strengthen its enforcement of and compliance with its financial regulatory framework.
- (3) Australia and Nauru shall jointly advocate for improvements in Nauru's banking accessibility and connectivity, including in international fora, as appropriate.

#### **Article 4: Governance and transparency**

- (1) Australia and Nauru agree that strong public financial accountability and transparency is key to economic resilience, fiscal stability and prosperity.
- (2) Nauru shall ensure integrity, transparency and accountability in its fiscal and financial management systems to prevent fraud, corruption, and misconduct.
- (3) Australia shall support Nauru, including by sharing knowledge, skills and experience to strengthen Nauru's fiscal and financial management systems.

#### **Article 5: Security and stability**

- (1) The Parties acknowledge the strength and depth of the bilateral security partnership and Australia's standing as Nauru's closest security partner.
- (2) The Parties recognise:
  - a. their shared interest in protecting and promoting each Party's and the Parties' collective security and sovereignty, including in the face of the existential threat posed by climate change;
  - b. that strengthened bilateral security cooperation makes a significant contribution to broader security and stability in the Pacific; and
  - c. the fundamental importance of national and regional security and stability to the sustainable development of the Parties and the wellbeing of its peoples.
- (3) The Parties commit to deepen and expand security cooperation on the basis of mutual consultation and consent, including by building on

the existing Australia – Nauru Security Partnership Memorandum of Understanding and the Boe Declaration on Regional Security.

- (4) The Parties shall prioritise consultation on Nauru's security and defence-related needs. Where the Parties have mutually agreed to the provision of assistance, the Parties shall facilitate the assistance including the timely provision of necessary approvals and arrangements.
- (5) In the event of a development that threatens the sovereignty, peace or stability of either Party, the Parties shall mutually consult and consider whether any measures should be taken, including the provision of mutually agreed support from Australia.
- (6) Nauru shall mutually agree with Australia any partnership, arrangement or engagement with any other State or entity on matters relating to Nauru's security including maritime security, defence, policing, border protection and cyber security sectors, and Nauru's critical infrastructure concerning banking and telecommunications.
- (7) Nauru shall consult with Australia on any partnership, arrangement or engagement with any other State or entity relating to Nauru's other critical infrastructure such as ports, aviation, and energy infrastructure.
- (8) Either Party may notify the other on the need to consult under Article 5 paragraph (7). In accordance with Article 6, the Joint Committee shall meet within two weeks of notification to begin consultation which will be informed by expert briefings to the Joint Committee.
- (9) The Parties agree that critical infrastructure under Article 5 paragraphs (6) and (7) shall not be used by a third party for security purposes.

## **Article 6: Consultation and responses**

- (1) Nauru and Australia shall establish a Joint Committee to discuss matters arising under this agreement and its implementing arrangements. The Joint Committee shall be responsive to any issues raised by either Party and work in the spirit of good faith and enduring friendship.
- (2) The Joint Committee shall meet at least every twelve months to discuss the matters arising under this agreement and its implementing arrangements.
- (3) The Joint Committee shall also be convened within two weeks following notification by either Party to discuss any matter relating to the agreement and its implementing arrangements.

## **Article 7: Settlement of disputes**

- (1) Any dispute arising under this agreement with respect to its interpretation, application or implementation shall be settled by consultation or negotiation in a friendly atmosphere between the Parties, and shall not be referred to any national or international tribunal or court or any other third party for resolution.
- (2) If either Party notifies the other of any dispute arising under this agreement with respect to its interpretation, application or implementation then, within two weeks, the Joint Committee, as convened in accordance with Article 6 paragraph (3), shall meet to begin dispute resolution.
- (3) The Parties shall have six months following the date of the notification of a dispute to agree a resolution.
- (4) If a resolution is not mutually agreed within this six-month timeframe, either Party may suspend compliance with one or more obligations under this agreement.

## **Article 8: Amendment**

- (1) This agreement may be amended in writing by mutual consent of both Parties.
- (2) Any amendment to this agreement shall come into force on the date of the later notification by either Party of the completion of their respective requirements for entry into force of the relevant amendment unless Parties mutually agree to a retrospective date.

## **Article 9: Entry into force, duration and termination**

- (1) This agreement shall enter into force on the date of receipt of the last notification by which the Parties notify each other in writing, through an exchange of diplomatic notes, that their respective requirements for the entry into force of this agreement have been completed.
- (2) This agreement shall continue in force, unless terminated in accordance with this Article.
- (3) The Parties may agree in writing to terminate this agreement at any time. Such termination shall become effective on the date agreed by the Parties.
- (4) Either Party may terminate this agreement upon written notice to the other Party. Such termination shall become effective 12 months following the date on which the other Party receives the written notice of termination. The Parties may continue to seek to resolve a dispute after written notification of a Party's intention to terminate including using the dispute resolution mechanism under Article 7. Parties shall mutually agree to extend this time if there is a real prospect of withdrawing a termination notice. The terminating Party may reverse its termination notification if a solution to the dispute is mutually agreed ahead of the termination becoming effective.



### **Article 10: Supplementary instruments**

- (1) The Parties may enter into subsidiary agreements and implementing arrangements, including to implement the provisions of this agreement.
- (2) The Parties agree to develop implementing arrangements for the purposes of the interpretation and implementation of this agreement. These instruments will come into effect concurrently on the entry into force of this agreement.
- (3) Any implementing arrangements shall be read together with this agreement. For avoidance of doubt, where there is a conflict or inconsistency between any terms of the implementing arrangements and this agreement, the provisions of this agreement shall prevail.

IN WITNESS WHEREOF the undersigned, being duly authorised by their respective Governments, have signed this agreement.

Done at \_\_\_\_\_ this \_\_\_\_\_ day of 2024 in duplicate.

**For Australia:**

**For Nauru:**