



Joint Standing Committee on Treaties
Parliament of Australia
Parliament House
Canberra ACT 2600

3 March 2025

Dear Committee Secretary

Submission – Nauru-Australia Treaty

We write to make a submission about the Nauru-Australia Treaty, which was signed on 9 December 2024 and referred to the Joint Standing Committee on Treaties on 5 February 2025. We write as an expert on security and Australia's strategy in the region (Professor Joanne Wallis¹) and as an expert on politics and development in the region (Professor Jack Corbett²), each with more than 15 years of experience undertaking research in the Pacific and with Pacific scholars.

At first blush, the announcement that Australia and Nauru had signed a security treaty represented a 'win-win' for the two countries. But we have identified several important issues that remain unanswered and which the Committee should consider.³

For the last decade, Australia has been concerned about China's ambitions in the Pacific Islands region.⁴ It is also conscious that the diplomatic landscape of the region has become more 'crowded and complex',⁵ as Australia now cooperates – and competes – with a wider range of partner countries deploying tools of statecraft.⁶

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³ This submission is based on: Joanne Wallis and Jack Corbett, 'At first glance, Australia's new treaty with Nauru seems to be a win-win. But questions remain', *The Conversation*, 9 December 2024, <https://theconversation.com/at-first-glance-australias-new-treaty-with-nauru-seems-to-be-a-win-win-but-questions-remain-245562>.

⁴ Joanne Wallis and Czeslaw Tubilewicz, 'The Pacific Islands and Chinese power as presence, influence, and interference', *European Journal of International Security*, <https://doi.org/10.1017/eis.2024.32>

⁵ Pacific Islands Forum, 'Boe Declaration on Regional Security', 2018, <https://forumsec.org/publications/boe-declaration-regional-security>; Joanne Wallis, *Crowded and Complex: The changing geopolitics of the South Pacific*, Canberra: ASPI, 2017, <https://www.aspi.org.au/report/crowded-and-complex-changing-geopolitics-south-pacific>.

⁶ Joanne Wallis and Michael Rose, *Statecraftiness: Mapping Statecraft in the Pacific Islands*, interactive database: <https://storymaps.arcgis.com/stories/b047ee4be82e47a8a6f3e580cf688d40>; Joanne Wallis, et al. (eds), *Power and*

Australia has therefore ramped up its development assistance, infrastructure lending, security initiatives, labour mobility and migration opportunities, as well as other policies in the region.

But the real prize has always been greater integration with Pacific Island countries. The 2017 Foreign Policy White Paper identified Australia's aim to 'integrate Pacific countries into the Australian and New Zealand economic and our security institutions'.⁷

Most famously, during a 2019 speech Kevin Rudd proposed that Australia should offer citizenship to the peoples of Kiribati, Nauru, and Tuvalu in exchange for control of their seas and fisheries.⁸ Versions of this proposal had already been circulating Canberra for years, initially focused on economic integration, but later expanded to include security integration, because it is seen as a sure-fire way to ensure that China is excluded from developing any serious security or military foothold in the region.

At first blush, the Nauru-Australia Treaty, following a year after the signing of the Falepili Union Treaty between Australia and Tuvalu, seems to vindicate calls for integration by Rudd and others.⁹

Under the Nauru-Australia Treaty, the two countries agree to 'deepen and expand security cooperation', to 'consult and consider' in the event of threats, and – the big-ticket item – that Nauru will 'mutually agree with Australia any partnership, arrangement or engagement with any other State or entity on matters relating to Nauru's security'. This echoes the language used in the Falepili Union with Tuvalu.

Effectively, Australia has acquired a veto over Nauru and Tuvalu entering any security arrangement with China. This has been Australia's major concern in the region¹⁰ since Solomon Islands and China entered into a security agreement in 2022,¹¹ and was heightened with respect to Nauru after it switched diplomatic recognition to China in January 2024.¹²

So, the Nauru-Australia Treaty seems like a diplomatic 'win' for Australia.

In exchange, Australia has agreed to provide A\$100 million over five years of budget support to Nauru to underwrite its 'economic resilience, fiscal stability and prosperity'.¹³ Australia will also provide A\$40 million over five years to support Nauru's security and policing needs, particularly the work of its recently appointed National Security Advisor. Australia will also support the

Influence in the Pacific Islands: Understanding Statecraftiness, London: Routledge, 2024,

https://www.taylorfrancis.com/books/oa-edit/10.4324/9781003496441/power-influence-pacific-islands-joanne-wallis-henrietta-mcneill-alan-tidwell-michael-rose?_gl=1*1x8tf1b*_gcl_au*MTEzMTUwNjg3My4xNzI5NTY2NjAw*_ga*MTMyNzU3ODc4LjE3MjE2MjE2NjU.*_ga_0HYE8YG0M6*MTczMzcwMDIwMS4zMy4wLjE3MzMTAyMDEuNjAuMC4w

⁷ Australian Government, *2017 Foreign Policy White Paper*, 2017, <https://www.dfat.gov.au/sites/default/files/2017-foreign-policy-white-paper.pdf>.

⁸ Kevin Rudd, 'The Complacent Country: Alternative Visions for Australia's Future', speech at the Melbourne Law School, 27 August 2019, <https://www.youtube.com/watch?v=ycM2MivKL5I>.

⁹ Greg Colton, *Stronger together: Safeguarding Australia's security interests through closer Pacific ties*, Sydney: Lowy Institute, 2018, https://www.lowyinstitute.org/sites/default/files/documents/Safeguarding%20Australia's%20security%20interests%20through%20closer%20Pacific%20ties_Web.pdf.

¹⁰ Anastasia Kapetas, 'China's maritime deal with Solomon Islands hints at dual-use facilities', *The Strategist*, 18 May 2022, <https://www.aspistrategist.org.au/chinas-maritime-deal-with-solomon-islands-hints-at-dual-use-facilities/>.

¹¹ Tarcisius Kabutaulaka, 'China-Solomon Islands Security Agreement and Competition for Influence in Oceania', *Georgetown Journal of International Affairs*, 2 December 2022, <https://jgia.georgetown.edu/2022/12/02/china-solomon-islands-security-agreement-and-competition-for-influence-in-oceania/>.

¹² Meg Keen and Mihai Sora, 'Nauru's diplomatic switch to China – the rising stakes in Pacific geopolitics', *The Interpreter*, 18 January 2024, <https://www.lowyinstitute.org/the-interpreter/nauru-s-diplomatic-switch-china-rising-stakes-pacific-geopolitics>.

¹³ Stephen Dziedzic, 'Australia inks treaty with Nauru locking out growing Chinese influence', *ABC News*, 9 December 2024, <https://www.abc.net.au/news/2024-12-09/australia-nauru-treaty-locks-out-china/104702002>.

Commonwealth Bank to provide banking services in Nauru, after Bendigo Bank announced that it will withdraw.¹⁴ This removes Nauru's risk of becoming 'unbanked'.

But several unresolved issues underpin the treaty.

First, **Australia needs to better acknowledge our history as a colonial power in Nauru**, including how we oversaw – and benefitted from – the extraction of much of Nauru's surface during phosphate mining. Mismanagement of the Nauru Phosphate Royalties Trust established at independence to help return some profits to the people of Nauru are a major cause of Nauru's longstanding economic woes.¹⁵ Australia has also contributed to Nauru's challenges via its policy of processing and resettling refugees on the island.¹⁶

Second, **Australia's history of supporting democratic governance in Nauru is patchy**.¹⁷ Australia has been reluctant to comment on the erosion of political rights due to its desire to suppress dissent among the refugees it resettled on the island. This tendency will likely continue because Australia needs to maintain good relations to counter Chinese influence. This was exemplified during the trial of the 'Nauru 19', a group who were prosecuted for protesting government corruption.¹⁸ At the time, retired Australian judge Geoffrey Muecke, who sat on the Nauru Supreme Court, described the prosecution as a 'shameful affront to the rule of law'.¹⁹

Third, the **treaty requires Australia to provide extensive support to the Nauru government's economic policies**. Nauru has agreed that it will 'ensure integrity, transparency and accountability in its fiscal and financial management systems to prevent fraud, corruption, and misconduct'. But given Australia's strategic interests in maintaining the treaty, what Australia will do if the Nauru government does not meet this undertaking?

Fourth, **critics will justifiably ask questions about the impact of the treaty on Nauru's sovereignty**, echoing concerns raised about the Falepili Union,²⁰ and before that, Rudd's 2019 proposal.²¹ In this regard, to dilute its apparent power, Australia may have been better off pursuing a trilateral security agreement that also included New Zealand, of the type proposed by Cook Islands Prime Minister Mark Brown.²²

¹⁴ Stephen Dziedzic, 'Bendigo Bank delays exit from Nauru as Chinese state-owned bank emerges as replacement', *ABC News*, 19 March 2024, <https://www.abc.net.au/news/2024-03-19/bendigo-bank-delays-nauru-exit-as-chinese-alternative-emerges/103603912>.

¹⁵ Anne Davies and Ben Doherty, 'Corruption, incompetence and a musical: Nauru's cursed history', *The Guardian*, 4 September 2018, <https://www.theguardian.com/world/2018/sep/04/corruption-incompetence-and-a-musical-naurus-riches-to-rags-tale>.

¹⁶ Stewart Firth, 'Australia's Detention Centre and the Erosion of Democracy in Nauru', *The Journal of Pacific History* (2016) 51(3): 286-300, <https://doi.org/10.1080/00223344.2016.1233730>.

¹⁷ Nic Maclellan, 'Nauru', *The Contemporary Pacific* (2020) 32(1): 213-225, <https://www.jstor.org/stable/26907884>; Anne Davies and Ben Doherty, 'Nauru: a nation in democratic freefall propped up by Australia', *The Guardian*, 3 September 2018, <https://www.theguardian.com/world/2018/sep/03/nauru-a-nation-on-the-cusp-of-democratic-calamity>.

¹⁸ Pacific Beat, 'Nauru 19 found guilty of rioting and unlawful assembly in retrial, defendant says', *ABC News*, 11 December 2019, <https://www.abc.net.au/news/2019-12-11/nauru-19-convicted-of-rioting-on-retrial/11787512>.

¹⁹ Ben Doherty, 'Nauru 19: judge throws out case and rules protestors cannot receive a fair trial', *The Guardian*, 13 September 2018, <https://www.theguardian.com/world/2018/sep/13/nauru-19-judge-throws-out-case-and-rules-protesters-cannot-receive-a-fair-trial>.

²⁰ Taukiei Kitara and Carol Farbotko, 'Tuvalu, Australia, and the Falepili Union', *Australian Outlook*, 24 November 2023, <https://www.internationalaffairs.org.au/australianoutlook/tuvalu-australia-and-the-falepili-union/>.

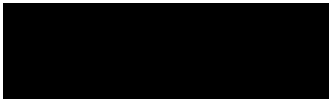
²¹ Anthony Stewart, 'Tuvalu PM slams Kevin Rudd's proposal to offer Australian citizenship for Pacific resources as neo-colonialism', *ABC News*, 18 February 2019, <https://www.abc.net.au/news/2019-02-18/tuvalu-pm-slams-kevin-rudd-suggestion-as-neo-colonialism/10820176>.

²² RNZ, 'Mark Brown proposes trilateral defence and security deal between Cook Islands, New Zealand and Australia', *RNZ*, 2 February 2024, <https://www.rnz.co.nz/international/pacific-news/508228/mark-brown-proposes-trilateral-defence-and-security-deal-between-cook-islands-new-zealand-and-australia>.

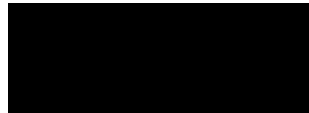
On one reading, Australia has taken advantage of the vulnerabilities of Nauru (economic and banking) and Tuvalu (climate change) to secure the treaties and advance its strategic interests. It is perhaps pertinent to remind the committee that during the 1960s negotiations on Nauru's decolonisation, Nauruan negotiators rejected Australia's proposal to create a relationship of 'free association' because they had access to the wealth of the Phosphate Royalties Trust.²³ Today's treaty, by contrast, goes a long way to solving several of Nauru's pressing economic and banking challenges. In exchange, the 'cost' – constraints on Nauru's future security partnerships – may be tolerated by the Nauruan people in a way they weren't more than half a century ago. Time will tell.

The Australian government must now sell the Nauru–Australia treaty to an Australian people struggling to meet cost-of-living pressures. This may be easier than the Falepili Union, because a migration pathway is not a key feature of the Nauru deal. But at the same time, the absence of migration reveals the elephant in the room: for decades the Australian taxpayer has been propping up the economy of an island whose main resource – sovereignty – it mined via its "Pacific Solution" to house refugees. Now it will do so in perpetuity for its strategic interests, but with potential unintended consequences that play out in the long term.

Yours sincerely



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²³ Joanne Wallis, *Pacific Power? Australia's Strategy in the Pacific Islands*, Melbourne: Melbourne University Press, 2017, <https://www.mup.com.au/books/pacific-power-paperback-softback>.