

# IRU submission

Parliamentary Joint Committee on Intelligence and Security (PJCS) Inquiry into national security risks affecting the Australian higher education and research sector

Innovative Research Universities (IRU) is a coalition of seven comprehensive universities committed to innovation and inclusive excellence in teaching, learning and research in Australia.

The members' impact is local and global with a focus on advancing communities through education, resources, opportunities, translational research and enterprise.

Through its members working collectively, the IRU seeks to be at the constructive centre of Australian university policymaking.

The membership is Charles Darwin University, Flinders University, Griffith University, James Cook University, La Trobe University, Murdoch University and Western Sydney University.

## Introduction

The Parliamentary Joint Committee on Intelligence and Security “inquiry into national security risks affecting the Australian higher education and research sector” arises from concerns that;

- there are notable risks to university operational systems from foreign governments; and
- university education and research is being adversely influenced by foreign interests.

The terms of reference for the inquiry target “foreign interference, undisclosed foreign influence, data theft and espionage”, with the intent to assess how extensive these are for universities; how aware universities are about them; and how useful the Australian Government response and support are to minimise the risks to universities.

The challenge is clear for universities. We are organisations committed to openness and sharing of information to advance knowledge. If foreign players seek to use that knowledge to harm or otherwise undermine effective university functioning, our response must both resist interference and retain universities’ capability to achieve our fundamental goals.

This Inquiry presents the Committee with an opportunity to work with the sector about the nature and extent of the risk and propose effective ways to ensure universities remain well-functioning creators and sharers of knowledge.

Many countries cited as potentially likely to seek to exercise negative influence over university operations are from Asia.

IRU members have a long history of knowledge and cultural exchange with Asia, offering a critical engagement with relations between Australia and countries of Asia. IRU members have long educated significant numbers of citizens of Asian countries, creating a much stronger and more capable workforce and polity in their home countries, and researching issues of major importance to Australia and our Asian neighbours. This is increasingly conducted in partnership with researchers from many countries.

### **Outline of IRU submission**

We appreciate the opportunity to assist the Inquiry.

Against the Inquiry’s terms of reference, the IRU submission targets the fourth element concerning the “adequacy and effectiveness of Australian Government policies and programs” as the area where the Joint Committee can best advance an effective response to foreign interference in universities. The Inquiry will gather other evidence about the extent of the issue and universities’ understanding of this.

The IRU submission has five sections covering:

1. the need for a more holistic approach to government legislation and programs governing foreign influence;
2. actions to prevent data theft and ensure cybersecurity;
3. the necessity that research involves people from around the world;
4. actions to protect freedom of speech and academic freedom from foreign interventions; and
5. the effective use of foreign supported centres and support for staff.

## Overview

The IRU emphasises the following key points.

- There is a real risk of undue foreign influence, foreign interference, data theft and espionage. Australia's universities need to prepare for and resist those threats as they advance their core commitment to enhancing knowledge through education and research.
- International engagement, collaboration and partnerships are an essential and intrinsic part of universities' operations. They are a key to successfully advancing national interests through: the global exchange of ideas, capacity and capability building that underpin research breakthroughs, access to critical infrastructure not otherwise available and the education of future leaders.
- Universities are subject to an increasing amount of law and red tape relating to the issues under investigation by this Inquiry with no apparent coordinated approach across government. The Government should consider a more holistic approach to these issues based on working effectively with universities through existing channels to fix gaps and new problems in their risk frameworks.
- The focus of the Committee, and of the Government, should be on tackling serious, coordinated attempts to interfere with Australian politics and public life including undermining confidence in the integrity of public institutions, culture or intellectual property.
- The major risk is interference with university operating systems. IRU members are actively working to strengthen cybersecurity and other risk management systems and processes at their institutions to assure the security and integrity of our people, information and assets. They are doing this in partnership across the sector and with the Government across many agencies.
- Political and public debate around these issues too often centres around occasional, low-level incidents about course material, classroom interactions, and activism on university campuses that have little to no implications for national security. Universities are places where views should be exchanged freely and frankly among students and with teaching staff, some of which will challenge deeply held assumptions of students, whether Australian or international. This free and frank debate should be considered a positive thing and wholly in keeping with Australia's standing as a free and democratic nation.
- IRU members have responded to the co-created University Foreign Interference Guidelines to ensure that we have fit-for-purpose governance, processes and capabilities to appropriately and proportionately assess and manage the inherent risks in our diverse international collaborations. The Government could further assist these efforts by offering additional practical guidance and resources (where required) to support universities. Such action would be a far more effective approach than proliferating disconnected legislation and disproportionate compliance reporting.

## Recommendations

The Joint Committee should:

1. address the array of government legislation and programs to control the risk of foreign interference in universities to propose to Government a coherent, well-targeted set of interventions. These actions should be those necessary to reduce and control risks while ensuring universities continue to flourish, providing the education and research Australians require for future prosperity.

In doing so, the Joint Committee should in particular:

2. explore the value of the University Foreign Interference Taskforce (UFIT) model to identify and guide responses to any further national security gaps that relate to universities;
3. recommend that the Government create a clear, overarching foreign influence and interference strategy across all of government, mapping out where the various pieces of legislation sit within that framework;
4. identify the additional support the Government should provide to universities and research bodies to ensure optimum operating systems capable of resisting external interference;
5. consider the array of checks that universities follow internally and to meet government requirements to ensure that research in potential areas of concern does not lead to harm to national security and to identify ways to simplify and better target those requirements;
6. recognise that the actions taken in response to the French review provide the required basis to ensure effective freedom of speech and academic freedom as and when incidents occur, with no meaningful difference where international students or staff are involved; and
7. use the Inquiry to lay to rest concerns that funding from foreign governments for specific centres, projects or education programs is not subject to sufficient scrutiny, consistent with the requirements imposed on all funding that universities receive to advance their missions.

## IRU Response

### 1. A holistic approach to government legislation and programs governing foreign influence

Australia's universities are just as keen as the Federal Government that their operations are not undermined. Universities are active in working with the Government to reduce risks and to act when incidents occur.

The major challenge is the plethora of government agencies requiring action from universities with no coherence to these requirements. We are now subject to a wide range of actual and proposed legislation and related programs. Together, these create a complex array of requirements, most of which are unnecessary given universities' active response to improving internal security.

These include (but are not limited to):

- *Autonomous Sanctions Act 2011*
- *Commonwealth Integrity Commission Bill 2020*
- *Defence Trade Controls Act 2012*
- *Export Control Act 2020*
- *Foreign Influence Transparency Scheme Act (the FITS Act) 2018*
- *Foreign Relations (State and Territory Arrangements) Act 2020*
- *Security Legislation Amendment (Critical Infrastructure) Bill 2020*
- *proposed Commonwealth Integrity Commission Bill*
- University Foreign Interference Taskforce (UFIT) Guidelines
- TEQSA's Higher Education Integrity Unit.

The IRU agrees that the issues around foreign influence and interference are ever evolving. Imposing further legislation on universities without a clear, overarching strategy risks blurring the lines of responsibility for action, adding complexity to large, diverse organisations, and highlighting compliance over effective, responsive action.

The Joint Committee's Inquiry offers the opportunity to galvanise government and public thinking around the serious threats rather than confected media concerns and, within the university sector, to capture the attention of the academic community.

A comprehensive, well-structured approach is needed to achieve this. We need a stop to the endless production of piecemeal laws with little or no reference to each other or to the powers needed to achieve the outcomes required.

Government agencies make three common errors in developing the legislation.

First, there has been a notable lack of discussion with universities in advance of legislation being tabled.

Recent proposals for new legislation such as the *Foreign Influence Transparency Scheme Act 2018*, the *Foreign Relations (State and Territory Arrangements) Bill 2020* and the *Security Legislation Amendment (Critical Infrastructure) Bill 2020* have been put forward with apparently little understanding of the unproductive burden they create for government departments (and universities) to administer. The *Foreign Relations Bill* required government amendments to target the Bill at the small set of agreements with foreign parties potentially of concern, rather than all agreements with them.

Second, communication on these matters across relevant government departments appears lacking, with a disconnect across government about the purpose and scope of some of the recent legislation mentioned above.

Third, the various schemes' reporting requirements encumber university systems with multiple requirements rather than a clear, coherent set of information that all relevant departments can use.

### **Action in response**

Universities are law-abiding institutions that will set up all the processes needed to address each of the new requirements, with the risk that they hinder a focus on the actual outcomes expected of them.

A fruitful collaboration between government agencies and universities already exists through the University Foreign Interference Taskforce (UFIT). This widely respected partnership has successfully developed valuable guidelines to counter foreign interference in Australian universities. A renewed UFIT forum (or similar), potentially with deeper expertise around specific threats, would be a useful vehicle for identifying and fixing any further national security gaps related to universities.

The Joint Committee should put to the Government the need to create a clear, overarching foreign influence and interference strategy across all of government. This would map out where the various pieces of legislation sit within that framework and which pieces of legislation are already overlapping in unhelpful ways. Such an exercise would provide greater clarity about the Government's high-level aims and objectives concerning foreign interference and related matters and ensure a more joined-up approach across government.

## **2. Preventing data theft and ensuring cybersecurity**

Data theft and cybersecurity are a serious and ever-present risk for Australian universities, as highlighted by the high-profile case of alleged foreign data hacking at ANU. Australian universities recognise this threat and have been working constructively with the Government to minimise and respond to it.

The sector has worked together.

- The Australasian Higher Education Cybersecurity Service (AHECS) – led by the Council of Australasian University Directors of Information Technology (CAUDIT) in partnership with AARNet, AusCERT, Australian Access Federation (AAF) and Research Education Advanced Network New Zealand (REANNZ) – has supported universities to improve their cybersecurity responses through awareness-raising training, benchmarking, maturity assessments, coordinated threat intelligence and a sector-specific Security Operations Centre (SOC) provided by AARNet.
- The IRU members' Chief Information Officers share developments and regularly discuss their responses to data theft risks and insufficient cybersecurity.

The sector has been working with the Government through UFIT to improve awareness, processes and responses to such attacks.

As a result of this work, the level of preparedness has increased considerably. In doing so, universities have been mindful to ensure that their systems continue to support universities' goals through legitimate sharing of data and other information and the support for university interactions with partner bodies and students throughout the world.

Together, these initiatives are proactively helping to safeguard the intellectual property, digital assets, people and reputation of Australasia's universities.

## Actions in response

The IRU urges the Joint Committee to identify the additional support the Government should provide to universities and research bodies to ensure optimum operating systems capable of resisting external interference.

### 3. Research is international

International research, involving parties and funding from Australia and other countries, is vital to Australia's national interest and economic wellbeing. Australia produces a disproportionately high amount of world research, comparative to our economic power (GDP). This means our export of research bolsters our longer-term prosperity.

Applying a 'fortress Australia' mindset to research – the assumption that all research will be done within Australia, by Australians, and the results developed in Australia – would undermine the economic return from research and deny Australia access to research produced by the rest of the world. We must remain a leading part of the international research system.

The following data highlights how international research is central to Australia's research excellence.

- In 2020, 77% of Australian Research Council (ARC) funded projects involved international collaboration, up from 50% in 2012.
- International ARC projects generate more research outputs than non-international projects, including roughly one-third more peer-reviewed journal articles.
- The United States remains Australia's most important international collaborator on publications, with 93,000 joint Australia-US publications recorded in Scopus from 2015 to 2020. China is now Australia's second most prominent partner (74,000 publications between 2015 and 2020), followed by the UK (69,000), Germany (34,000) and Canada (30,000).
- More than one quarter (28%) of Australia's PhD qualified workforce obtained their PhD overseas.
- International research income (Category 3) has rapidly grown from \$192 million in 2009 to \$483 million in 2019, a rise of 151%. This compares with an overall increase of 65% in total research income over the same period (from \$2.8 billion to \$4.6 billion). International research income of \$483 million in 2019 now comprises 11% of all university research income, up from 7% in 2009.

It is firmly in Australia's national interest for Australian decision-makers to be 'Asia-literate' by maintaining an evidence-based understanding of our region and Australia's role within it. It is difficult for the Australian Government to successfully navigate our region's complexities without that knowledge and insight.

For example, the Indo-Pacific region offers extraordinary valuable economic and political opportunities, particularly for Australia's recovery from COVID-19. The Government's vision for the Indo-Pacific region includes facilitating the flow of "goods, services, capital and ideas".<sup>1</sup> Voluntarily withdrawing influence from the Indo-Pacific region is not in Australia's national interest.

Some IRU members host dedicated research centres or institutes. They are:

- Griffith Asia Institute (Griffith University)
- Centre for International Trade and Business in Asia (James Cook University)

---

<sup>1</sup> [DFAT Foreign Policy White Paper 2017](#) (p38)

- La Trobe Asia (La Trobe University)
- Asia Research Centre (Murdoch University)
- Australia-China Institute for Arts and Culture (Western Sydney University)

IRU member Asia centres work with international academics, policymakers and governments on projects of mutual interest. The Centres are university-funded institutes. They improve Australian knowledge about our Asian neighbours and help inform and influence countries of Asia about the subject matter being researched. This is good for Australia and good for our region.

Universities have a responsibility to ensure Australia's national security is not put at risk from partnerships with foreign universities and other foreign entities. This must be approached proportionately, recognising that the risks are associated only with a small subset of these arrangements and without compromising the enormous national benefit and gains from those remaining partnerships.

We are not naïve to the subtle and complex ways in which foreign governments may seek influence abroad. However, it is a matter of fact that only a tiny number of international partnerships come with any risk to Australia's national security (as identified using authoritative, evidence-based and well-maintained resources such as the DSGL and Sensitive Technologies Lists, combined with appropriate due diligence screening). The vast majority have no national security implications. Of course, the difficulty is working out exactly which partnerships fall within that small minority that carries risk.

IRU members already have internal processes to identify potentially risky projects and are working hard to strengthen further those processes, including upskilling relevant staff and bolstering data security.

Further, it is vital that free academic enterprise – that is, Australia's long-standing tradition of sharing discoveries and publishing globally-valuable research – is not only respected but promoted.

The IRU remains concerned that the extensive new Foreign Relations regime to consider international partnerships with foreign governments including the universities in some countries will put useful projects at risk, increase an already substantial regulatory burden, hurt Australia's academic credentials and reduce our global influence and academic reputation.

We will work with the Department of Foreign Affairs to target its efforts at high-risk activities. In doing so, universities will emphasise the existing checks undertaken to ensure that research and other partnerships are well based, scrutinising all risks.

Calls for a risk-centred approach to foreign interference are not an argument that we tolerate a small amount of foreign interference. All government policy is determined within a spectrum of risk, consequences and the distribution of finite resources. It is both logical and responsible to target those resources where they will return the most gains. Parliamentarians on both sides of the chamber should accept that premise and target their efforts on activities that will see a net positive return for Australia.

### **Actions in response**

The Joint Committee should consider the array of internal university checks in place to meet government requirements and identify ways to simplify and better target those requirements.

## **4. Protecting freedom of speech and academic freedom**

Several of the issues raised in the lead up to the Inquiry concern the actions of students and staff, Australian and International, on issues of national sensitivity. The argument is made that some of these incidents are evidence about universities shutting down genuine debate and disagreement.

These issues now consume considerable time and energy for low-level examples where a case can be made that free and open discussion was not achieved.

Each incident normally comes with a range of claims and counterclaims that make it difficult for objective observers to be certain about what happened in each case. While such disagreements can often be uncomfortable, they are entirely in keeping with Australia's long tradition of free speech.

Such cases also highlight the challenge facing university staff in dealing with such issues, when a seemingly minor statement or disagreement – often about facts beyond their subject specialism – can blow up into a major public dispute without warning.

These debates make for interesting news stories. However, they are not a threat to Australia's sovereignty, economy or national security. All up, the number of cases and their detail do not suggest any major problem with freedom of speech or academic freedom due to foreign interference. They show the need for universities to ensure students understand the freedom to debate issues and to support staff who are challenged to respond to the concerns students raise, without giving up on any reasoned argument or position. Parliamentarians and others who believe in free speech should support the open exchange of these views.

Universities should be a place for the free and frank expression of views. Topics discussed in lectures and tutorials will sometimes be contentious and may occasionally offend. It is important that freedom of speech is not stifled in this environment either way. That includes allowing students to air their objections to the way a certain topic has been framed, or to disagree with another person's interpretation.

Full and frank debate should be protected by the twin concepts of freedom of speech on campus and academic freedom, both important principles for which all universities have restated their support in response to broader concerns about incidents over recent years.

IRU has supported moves to clarify universities' rights and responsibilities regarding freedom of speech and academic freedom, including through the insertion of a definition of academic freedom into the *Higher Education Support Act 2003* (as drafted and amended by Robert French and the Chancellors' advisory panel).

The renewed focus on freedom of speech and academic freedom will provide the basis for addressing future incidents, regardless of whether there is a foreign aspect.

### **Actions in response**

The Joint Committee should recognise that the actions taken by universities in response to the French review ensure effective freedom of speech and academic freedom.

## **5. The use of foreign-supported centres and supports for staff**

It is government policy that universities optimise activity to garner non-government revenue, with the purchase of education and research an indicator of its direct value. Universities' success in doing this means that universities receive most of their funding from sources other than the Commonwealth Government.

Universities receive fees from Australian students for postgraduate programs where students meet the full price of the course, and from international students at all levels. They receive funding for research and advice from state and local governments, from industry and non-government organisations, and from international sources, both private and government.

The receipt of revenue from each source is subject to much debate, with many allegations that any non-government payment potentially perverts the purity of the education or research. This argument has been particularly strong for a select array of research investments where the subject of research is controversial, such as pharmaceuticals and alternative medicines.

Concern is often strong when a foreign government supports a centre designed to study that country or its region. The potential for the Centre to favour the sponsoring country is clear. Actual cases where such claims amount to a serious risk that the research and education provided does not meet expectations are rare.

To protect against the funding undermining education or research outcomes, universities follow policy and processes to ensure the funder can target the broad subject matter but not the exploration of it.

During the public debate about foreign influence on Australian universities, much has been made of the role of Confucius Institutes, the culture and language partnerships between educational institutes in China and educational institutes in other countries. More recently the Thousand Talents program that provides additional income to leading scholars of Chinese background working worldwide has gained attention, with arguments that those in receipt of the extra income are suborned from their proper role.

### **Confucius institutes**

There are twelve Confucius Institutes at Australian universities, three of which are IRU members, Charles Darwin University, Griffith University and La Trobe University. The arrangements for each are distinct, which limits generalisations about what they do and its implications.

As is well-publicised, the Institutes have been affiliated with Hanban (the Office of Chinese Language Council International), which itself is affiliated with the Chinese Ministry of Education. In July 2020, Hanban was renamed as the Ministry of Education Centre for Language Education and Cooperation.

There is no dispute that Confucius Institutes are linked to the Chinese Government. Nor that Confucius Institutes are a form of Chinese 'soft power', as is the case for culture and language centres and societies maintained by other nations. Germany funds the Goethe Institute and the German Academic Exchange Service for the study of German culture and language, France funds the Alliance Francaise and the British Government funds a wide-ranging network of language and cultural centres in 118 countries around the world through the British Council. Many other countries have similar arrangements.

IRU members are aware of the alleged foreign influence risks associated with Confucius Institutes. They undertake due diligence before and during a Confucius Institute partnership agreement. In light of the public debate about the alleged influence of Confucius Institutes, some Australian universities have additionally revised their partnership agreements to make the university's autonomy clearer.

### **Thousand Talents program**

Universities support staff to attend to their duties and to make the product of their work available to the students and other staff. As described earlier in this submission, most leading research now involves people from many places and organisations, and the use of research outcomes is consequently broad.

The Thousand Talents Plan is a Chinese Government program to attract scientists and engineers from overseas, offering individual researchers funding and support to commercialise their work.

Thousand Talents is one of many external programs that offer support and funding to researchers. The concerns raised about Thousand Talents relate to its close ties with the CCP and whether it is providing China with access to technologies and IP from overseas through illegal or non-transparent means.

IRU members are aware of these concerns about the Thousand Talents program and are managing risks through their internal processes. To date, there is no evidence that being part of the program has led any staff member to act against university or Australian interests.

### **Actions in response**

The Joint Committee should use the Inquiry to lay to rest concerns that funding from foreign governments for specific centres, projects or education programs is not subject to sufficient scrutiny, consistent with the requirements imposed on all university funding.

17 December 2020