



**Australian Government**  
**Australian Research Council**

Australian Research Council Submission  
to the Parliamentary Joint Committee on  
Intelligence and Security

**Inquiry into National Security Risks Affecting the  
Australian Higher Education and Research Sector**

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# 1. Executive Summary

The Australian Research Council (ARC) is a competitive research granting agency within the Education and Employment Portfolio that delivers approximately **eight per cent** of the Australian government's annual investment in Research and Development. Under its legislation the ARC provides support for the highest quality research and research training across all disciplines.

Research is an endeavour which intrinsically requires researchers to contribute to, and build upon, the body of knowledge developed by a global research community involving players from many different countries. Maintaining a globally engaged university sector is essential to not only Australian universities' success but also to the growth and success of the Australian economy. The challenge for Australia, and the ARC, is balancing engagement with the management of any risk to Australia's sovereignty and possible loss of critical research benefits.

The ARC has a significant role in the Australian research effort by supporting international collaboration, through providing funding that brings together Australian and international researchers. In doing so the ARC recognises that it is vital that this support is not undermined by foreign interference that may compromise national interests. However, the ARC is not a national security specialist and for this reason is actively engaging stakeholders with appropriate expertise across government and the university sector to assist in identifying and mitigating the risks related to foreign interference.

Specific work to mitigate these risks includes recently updating the ARC's processes to require applicants for ARC funding to declare a range of interests that could be perceived as having the potential to compromise their research and Australia's national interests. The ARC has adopted a collaborative approach involving universities and national security agencies, to undertake due diligence activities to manage risks in a systematic and transparent way that addresses the complex issues around foreign interference.

The process of declaring interests that the ARC has in place is consistent with the approach taken by other countries. This includes recent guidance from the United States of America (USA) Government that has emphasised the importance of disclosing financial interests, affiliations, activities and relationships with foreign entities.

Australia benefits from the international collaboration of its researchers, with approximately 76 per cent in 2020 indicating they intended to collaborate internationally. Between 2016 and 2020, 36 per cent of ARC-funded projects had an international partner organisation that have contributed a combined total of \$829 million across 2091 distinct projects.

In order for the ARC to deliver on its purpose to grow knowledge and innovation for the benefit of the Australian community, it is critical that it can continue to apply a considered, consistent, and country agnostic approach to the collaborative research that it funds, to maintain government and community confidence in administration of ARC grants.



## 2. Introduction

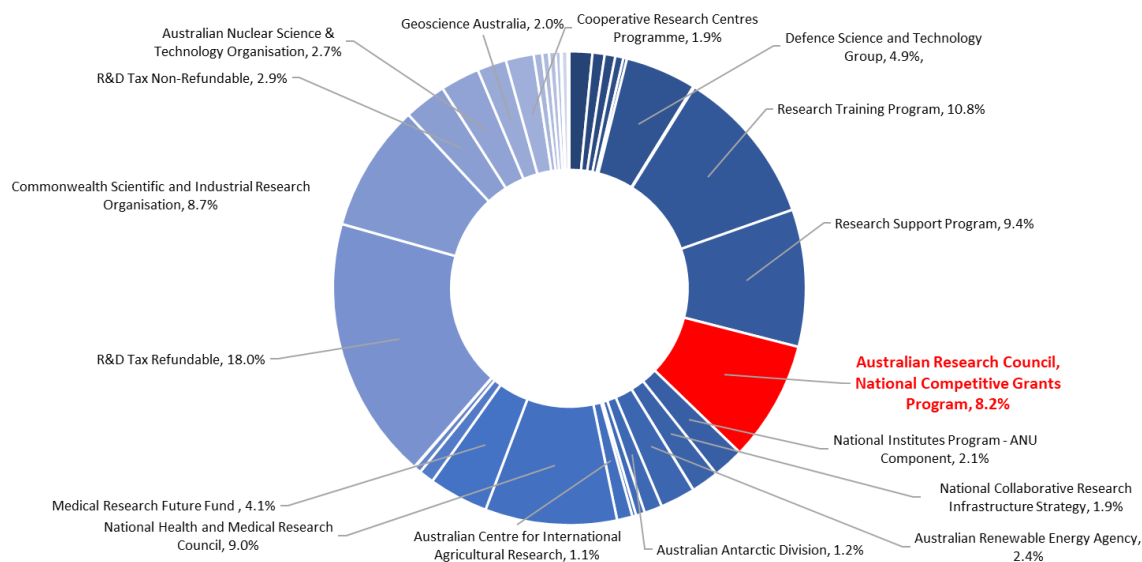
The Australian Research Council (ARC) welcomes the opportunity to provide a submission to the Parliamentary Joint Committee on Intelligence and Security (PJICIS) inquiry into national security risks affecting the Australian higher education and research sector.

This submission provides context regarding the ARC's role in the Australian research funding landscape, information on foreign interference and influence with respect to ARC-funded research, and the mechanisms that the ARC has in place to identify and appropriately respond to risks associated with ARC-funded grants. The submission also seeks to emphasise the critical nature of international collaboration and the benefits it provides for Australia, and the importance of allowing this collaboration to be as unhindered as is appropriate, provided risks are identified and mitigated.

The ARC is a Commonwealth entity within the Australian Government, established as an independent body under the *Australian Research Council Act 2001*. The ARC advises the Government on research matters, administers the National Competitive Grants Program (NCGP) and has responsibility for the Excellence in Research for Australia and Engagement and Impact Assessments. The ARC's purpose is to grow knowledge and innovation for the benefit of the Australian community through funding the highest quality research, assessing the quality, engagement and impact of research and providing advice on research matters.

In 2019-20 the Australian Government invested \$9.6 billion in research and development in Australia. Of this, approximately \$790 million, or eight per cent, was provided to support research through the ARC (See Figure 1).

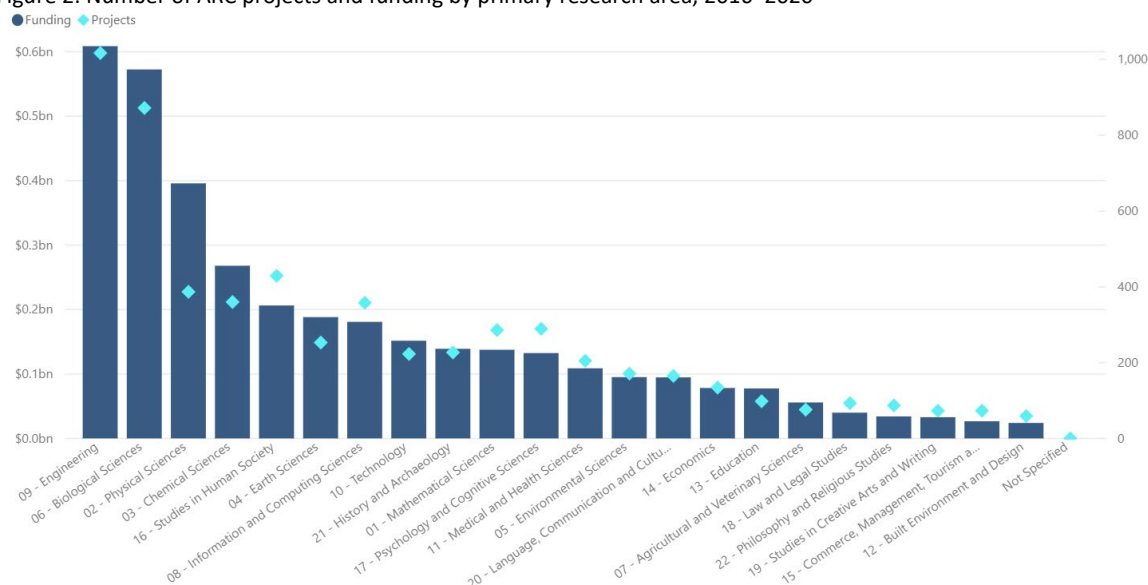
Figure 1: 2019-2020 Federal investment in Research & Development, by portfolio and program (Approx. AU\$9.6 billion)<sup>1</sup>



The funding schemes of the ARC provide support for the highest quality research and research training across all research disciplines from Science, Technology, Engineering and Mathematics to Humanities, Arts and Social Science. (See Figure 2).

<sup>1</sup> <https://www.industry.gov.au/data-and-publications/science-research-and-innovation-sri-budget-tables>

Figure 2: Number of ARC projects and funding by primary research area, 2016–2020<sup>2</sup>



As one of the Government's major sources of competitive research funding, during the period 2016–2020 the ARC processed 29,427 applications across 13 different schemes and funded 5,935 grants involving 8,976 unique researchers. The total Government investment over this period was \$3,648,169,834.

ARC funding is awarded on merit via a competitive peer review process to Australian universities or AIATSIS who then administer research projects or programs in accordance with ARC Grant Guidelines and Grant Agreements. The ARC seeks to identify and support the highest quality and innovative research, with the ARC's peer review process relying on independent external assessors to provide rigorous assessment of applications that are within their expertise. The ARC's peer review process is guided by international best practice principles of assessment ensuring funding is directed according to the excellence of the research.

### 3. Benefits of International Collaboration

Maintaining a globally engaged university sector is fundamental to not only Australian universities' success but also to the growth and success of the Australian economy. The challenge for Australia is to balance international collaboration with the risk to Australia's sovereignty and pursuant loss of crucial research benefits.

Cooperation and collaboration can enhance the quality of research, avoid unnecessary duplication, provide economies of scale, and address issues that can only be solved by working together. The Global Research Council—an international peak body comprising heads of funding agencies—states that research funding agencies have a responsibility to consider these objectives on behalf of their research communities<sup>3</sup>.

<sup>2</sup> <https://www.arc.gov.au/grants-and-funding/apply-funding/grants-dataset/trend-visualisation/ncgp-trends-areas-research> (accessed 26/11/2020)

<sup>3</sup> <https://www.globalresearchcouncil.org/about/global-research-council/>

As noted in the Government's *Global Innovation Strategy*,<sup>4</sup> Australia is a significant contributor to world leading research and has a strong history of producing some of the world's best innovations. Even with this strong history, Australia can do more to leverage our past successes and current strengths to assist our transformation into one of the world's standout innovation economies. Through ongoing international collaboration and the linking of innovation ecosystems internationally Australia will continue to be well positioned to meet challenges, opportunities and global trends such as Industry 4.0<sup>5</sup>.

Australia is responsible for approximately 3 per cent of the world's scientific output, while being home to only 0.34 per cent of the world's population<sup>6</sup>. In order to ensure that Australia maintains and grows its research and innovation strengths, it is vital that our researchers are provided with opportunities to engage with the best minds, organisations, and facilities across the globe to gain access to, and benefit from, the ninety-seven per cent of knowledge that is generated beyond our shores. This engagement enables Australian researchers to work cooperatively on ground-breaking research with leading academics from around the world and opportunities for Australian researchers to venture abroad and conduct research within other countries' systems builds the capacity and capability of the next generation of scholars. International researcher experience and connections are also well regarded by Australian universities, and opportunities to travel and engage with counterparts overseas is a sought-after experience by many Australian researchers. These collaborations and relationships help to position Australia to meet future challenges, opportunities and global trends and translate research for the benefit of Australian society and the economy. As well as facilitating intellectual and economic benefit, the connections established by these collaborations represent a significant tool for soft diplomacy.

Australia's attractiveness to international collaborators from all countries should continue to be underpinned by a high-quality education and research system that is ranked among the very best in the world.

## 4. The ARC and International Collaboration

The ARC provides a significant function in supporting international collaboration, by maintaining a strong presence within the international research community and providing funding opportunities that bring together Australian and international researchers and organisations. The extent and level of international collaboration enjoyed by ARC-funded researchers continues to be a vital component of ARC grants.

This role in providing funding opportunities that connect Australian and international researchers and organisations, strengthening Australia's research and innovation system is an extremely valuable one and the ARC's overarching aim in doing so is to maximise Australia's contribution to, and benefits from, international research partnerships, developments, and policy. Without effective opportunities for partnership, the ensuing benefits to Australia may be compromised, leaving both Australia, its universities, and ultimately its research capacity disadvantaged.

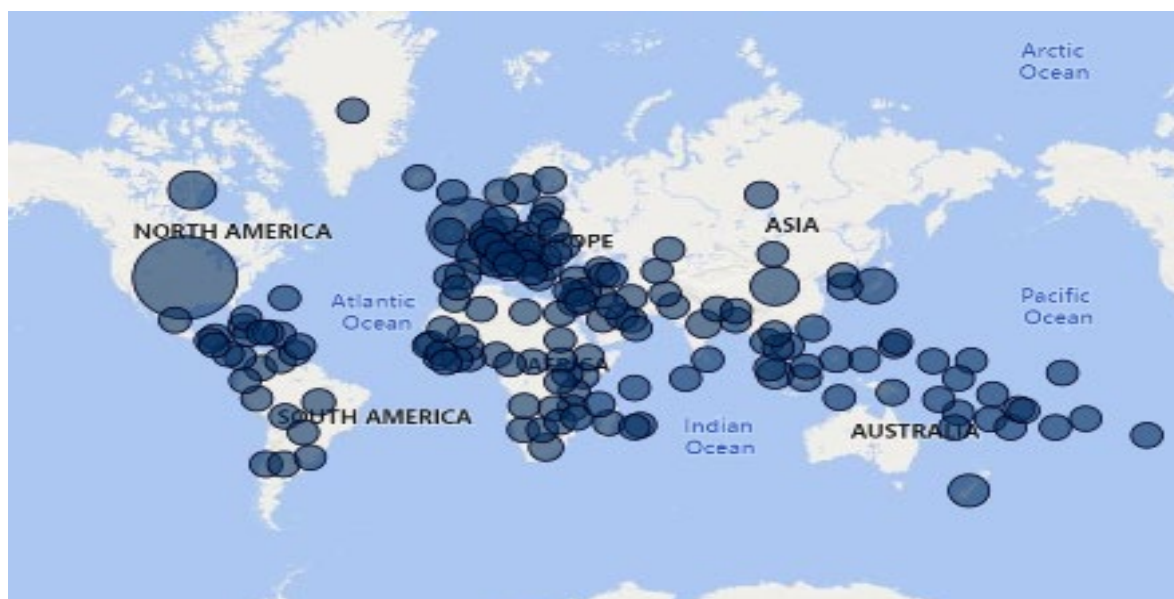
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<sup>4</sup> <https://publications.industry.gov.au/publications/globalinnovationstrategy/index.html>

<sup>5</sup> <https://www.industry.gov.au/funding-and-incentives/industry-40>

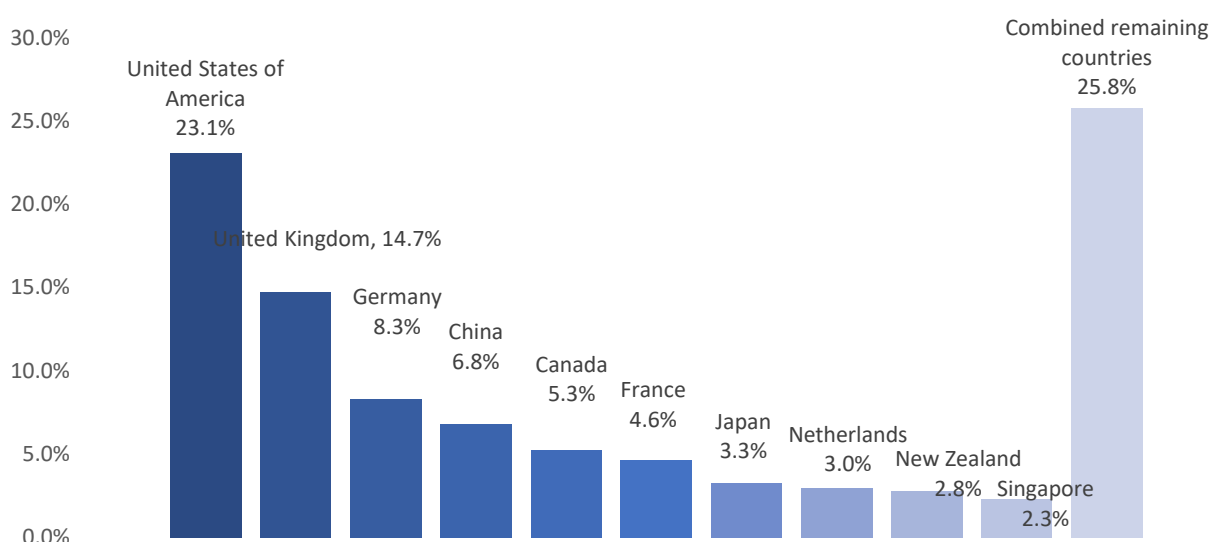
<sup>6</sup> <https://www.oecd.org/australia/sti-scoreboard-2017-australia.pdf>

Figure 3: Distribution of ARC-funded projects indicating collaboration with specific country, projects commencing in 2020<sup>7</sup>



All ARC funding schemes are open to applications from international researchers applying through an Australian eligible organisation. Approximately 76 per cent of all ARC-funded projects commencing in 2020 indicating an intention to collaborate internationally across a large variety of countries. ARC funded research collaboration across the world is demonstrated by Figure 3. Researchers on every continent seek to work with ARC funded researchers on topics of interest to Australia. Figure 4 highlights the top 10 countries for international collaboration. Both figures illustrate the diversity of countries represented in research partnerships funded through the ARC.

Figure 4: Top 10 countries for instances of international collaboration – new and ongoing projects in 2020<sup>8</sup>



Whilst opportunities exist within all ARC schemes for Australian researchers to travel overseas to meet with their international partner/s or to bring their overseas partner/s to Australia, the ARC's

<sup>7</sup> <https://www.arc.gov.au/grants-and-funding/apply-funding/grants-dataset/trend-visualisation/ncgp-trends-international-collaboration> (accessed 26/11/20). Note circle sizes are not to scale.

<sup>8</sup> ARC International Collaboration dataset (accessed 26/11/20).

prestigious fellowships schemes are specifically designed to attract outstanding researchers to Australia as well as encouraging top class researchers to remain here<sup>9</sup>. These fellowships have been extremely successful in fulfilling this role—in 2020, 11 per cent of Future Fellowship awardees were either international or returning Australian researchers, and of the 100 fellowships funded, 98 foreshadowed 312 instances of collaboration with researchers from 56 different countries.

As well as access to global experts and cutting-edge infrastructure, international organisations also provide valuable investment into Australia’s research effort. Not only are researchers from overseas sharing expertise and experience with Australian investigators, but international organisations also provide a significant financial contribution to the research effort in Australia. Between 2016 and 2020, 36 per cent of ARC-funded projects have international partner organisations that have contributed a combined total of \$829 million across 2091 distinct projects.

## 5. Research and National Security

Two-way knowledge transfer is an inherent element of collaborative research and can be highly beneficial to all parties. The ARC recognises, however, that it is critical that the work of Australian researchers is not compromised by foreign interference that may put universities’ people, information, intellectual property and data, or national security at risk. It is also important that the benefits of Australian funded research accrue to Australia and that intellectual property or technology arising from research is appropriately managed and safeguarded.

The ARC acknowledges the important intersect that exists in both ensuring the quality of the research that the Australian Government funds but also in ensuring that this research maximises the benefit for Australia. This intersect is one where Australian Government and research institutions are proactively working to protect Australian interests.

There are a range of national security safeguards put in place by Government addressing the appropriate management of foreign interference, data theft and cooperation on potentially sensitive and strategic technologies in the undertaking of research, including the *Defence Trade Controls Act 2012*<sup>10</sup>, and the *Foreign Influence Transparency Scheme*<sup>11</sup>. Additionally, the cross-sector University Foreign Interference Taskforce, established in 2019, developed the *Guidelines to counter foreign interference in the Australian university sector*<sup>12</sup>. These are designed to specifically assist universities to take a proportionate risk-managed approach to counter foreign interference while maintaining the freedom needed to pursue ground-breaking research.

## 6. The role of the ARC regarding national security

Whilst the ARC recognises the importance of international collaboration in furthering Australia’s reputation for research excellence, and the significant benefits that ensue, it remains cognisant of the need to strike a balanced approach in the administration of its funding schemes to safeguard the security of Australia’s university sector and national interests.

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<sup>9</sup> Discovery Early Career Researcher Awards, Future Fellowship and Australian Laureate Fellowships

<sup>10</sup> <https://www.legislation.gov.au/Details/C2012A00153>

<sup>11</sup> <https://www.legislation.gov.au/Details/C2018A00063>

<sup>12</sup> <https://www.education.gov.au/ufit>



The ARC is not a national security specialist. The role of the ARC is to identify and fund research excellence and the expertise required to undertake detailed assessment relating to specific security threats are best placed with specialised Australian security agencies. On this basis, the ARC is working across government and with Australian security agencies to identify and mitigate issues of foreign interference by developing processes to ensure the integrity of the research that it funds is maintained. Through this cooperative work the ARC is not seeking to restrict academic research endeavour or freedom of expression, rather to ensure that there is transparency around relationships and assist researchers and institutions to comply with relevant legislation.

The ARC is legally obligated to ensure the proper use and management of its grants. The ARC takes impropriety relating to ARC-funded research seriously and works closely with universities to ensure that when such matters arise, they are addressed through its post-award and integrity processes. When the ARC becomes aware of sensitive information in the public domain or receives allegations that relate to an ARC-funded grant or grant application, including about foreign interference, further advice is sought from the relevant university to provide natural justice via an opportunity to respond to the issue as it relates to the conditions contained within ARC policies, grant guidelines and grant agreements. If the ARC receives confirmation of an issue of foreign interference, the agency will manage this matter through its research integrity processes, or, if a grant is not administered in accordance with the grant agreement, the ARC will work with the university to resolve the issue and may take follow-up action, including possible termination of a grant.

### **6.1 ARC Identification and Response to Foreign Interference**

As part of a suite of initiatives being developed to identify and mitigate risks associated with foreign interference, the ARC updated its *Conflict of Interest and Confidentiality Policy* in September 2020 to clarify the types of personal interests that researchers are required to identify and disclose. Consequently, the ARC now requires that additional, specific information about the personal interests of researchers named on ARC grant applications are appropriately declared. This includes foreign financial support, and affiliations with foreign sponsored talent programs, governments, political parties, state-owned enterprises, military or policy organisations as part of their declaration of material personal interests.

The new information provides additional resources to enable universities to more easily fulfil their role in implementing the *Guidelines to Counter Foreign Interference in the Australian University Sector*, and ensure confidence is maintained in relation to ARC research grants.

Given the shared nature of addressing identified risks, the new questions facilitate greater transparency of personal interests and provide a mechanism to declare relationships and support from foreign entities to both universities and the ARC. The additional information collected in application forms is also designed to assist universities in undertaking due diligence activities in relation to named researchers prior to applying to the ARC for funding, and in doing so consider the risks of the proposed research outlined in applications. It is key that the risks posed in grant applications are understood prior to applications being provided to the ARC and funding decisions made. As a result, there will be a small amount of additional work for some researchers as part of applying for and holding an ARC-funded grant.

As part of due diligence processes that occur post submission the ARC will review the information provided and may seek advice from national security agencies as experts in this area. The ARC may also request additional information from universities about their due diligence activities associated with submitted applications if any issues are identified.

The ARC will require assurance that universities have reviewed the national security risks of the proposed research, the material personal interests of named participants, as well as ensuring arrangements are in place to maximise the benefits to Australia from intellectual property generated from the research.

The ARC has not restricted the requirement to disclose specific information to grant applicants and is also collecting personal interest information from ARC committee members, peer reviewer groups, staff, contractors, working groups and any other parties engaged by the ARC for the provision of services. Role-based risk assessments within the ARC regarding potential influence will also be undertaken, noting that many of these individuals pose a low-risk given their advisory functions, limited decision-making capacity and membership of larger groups. There is also an ongoing requirement that those funded by, and engaged on ARC business, continue to disclose any interests as they arise.

## **6.2 Transparency to support a positive security culture**

The work being undertaken by the ARC is intended to complement the work of universities in their implementation of the *Guidelines to counter foreign interference in the Australian university sector* and the mechanisms that the ARC has introduced supports the foundational principle of university autonomy represented in the guidelines. The structures are designed to promote a positive security culture within the sector, strengthening resilience against foreign interference.

As previously stated, the ARC is not a national security specialist, but is aware of its role in maintaining oversight and supporting universities without being onerous in the administration of its grants. The approach adopted by the ARC seeks to ensure that the ARC can undertake appropriate due diligence activities to manage risks in a systematic and transparent way that addresses the complex issues around foreign interference.

The ARC bases its peer review processes on assessing the merit of each application against the assessment criteria set out in the ARC Grant Guidelines, and whilst recognising the importance of addressing security related issues this merit-based assessment needs to be the primary measure of an application's worth to receive funding. The peer review processes of the ARC were recently considered by an independent audit by the Australian National Audit Office (ANAO) in 2019 that found the:

*"ARC has mature and effective processes in place to assess grants, manage conflicts of interest and provide funding recommendations that comply with the NCGP guidelines"*<sup>13</sup>.

The recently introduced measures add an additional level of transparency to the ARC's conflict of interest processes that were commended in the ANAO audit, reinforcing the ARC's commitment to strong and clear probity measures that contribute to public confidence in the ARC's administration of grants.

## **6.3 Responsibility, and the Grant Application process**

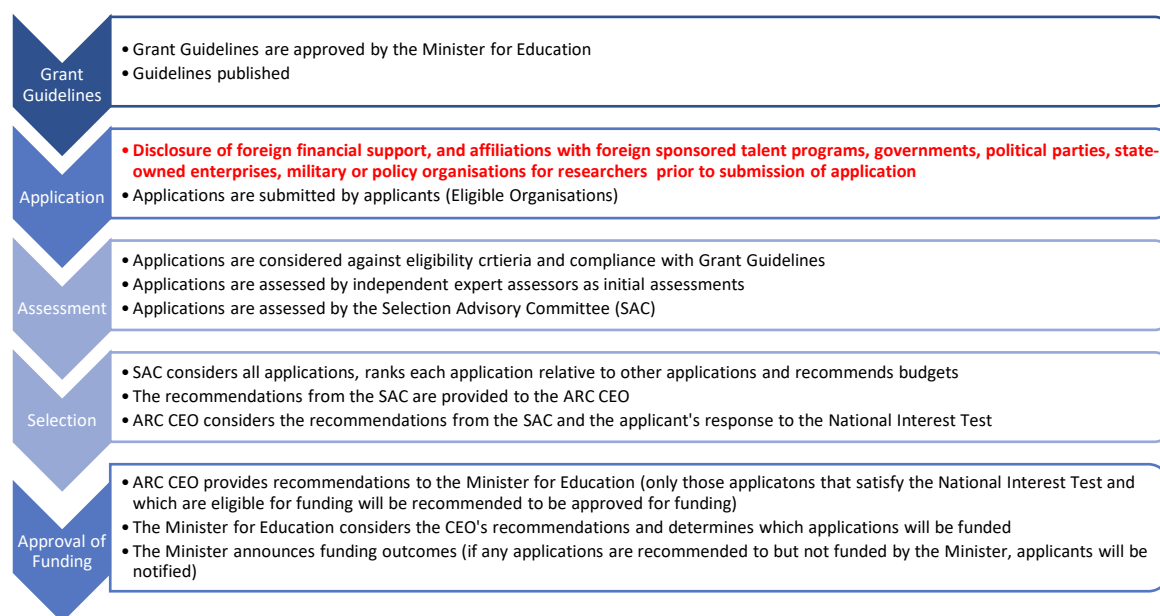
In the first instance, primary responsibility for undertaking due diligence on applications, researchers, and their partners prior to submission rests with the universities with an onus on considering and addressing any risks pertaining to the proposed research. It is the universities that apply for ARC funding, not individual researchers.

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<sup>13</sup> <https://www.anao.gov.au/work/performance-audit/australian-research-council-administration-the-national-competitive-grants-program>

When applications are submitted to the ARC, the Deputy Vice Chancellor (Research) of the university applying for funding is required to certify that the university has met all requirements specified in ARC Grant Guidelines and supporting documentation. This includes recently introduced provisions that require the declaration of interests of researchers listed on an application, that due diligence has been undertaken, and that any identified conflicts of interest will be managed in accordance with the *Australian Code for the Responsible Conduct of Research, 2018* (the Code)<sup>14</sup> and the *ARC Conflict of Interest and Confidentiality Policy*<sup>15</sup>, and that the university and funded researchers will abide by the terms and conditions of the ARC Grant Agreement.

Figure 5: ARC Grant Assessment Cycle



The ARC's grant assessment cycle involves several distinct stages which are depicted at figure 5. All ARC grant applications are assessed by discipline-specific experts against research and academic merit based on the selection criteria set out in ARC Grant Guidelines. Peer reviewers are not security experts able to assess concerns on relationships or research outcomes from a national security perspective. The National Interest Test, implemented in ARC Grant Guidelines from October 2018 onwards, does not assess national security issues but considers whether the proposed research has the potential to have economic, commercial, environmental, social or cultural benefits to the Australian community.

Given the clandestine nature of foreign interference the most effective way to address concerns in this area is by increasing transparency about collaborations and relationships of researchers which may pose a conflict of interest to Australian grant activity in a proactive way at the application submission stage.

#### 6.4 ARC Grant Guidelines and Agreements

ARC Grant Guidelines establish the requirements that govern the administration of the scheme, including the information required in an application and selection processes. If an application is successful the ARC enters into a Grant Agreement with the university.

<sup>14</sup> <https://www.nhmrc.gov.au/about-us/publications/australian-code-responsible-conduct-research-2018>

<sup>15</sup> <https://www.arc.gov.au/policies-strategies/policy/arc-conflict-interest-and-confidentiality-policy>

All grants must be administered in accordance with the provisions set out in the agreement. These mechanisms enable the ARC to monitor, evaluate and address compliance.

All ARC grant schemes are underpinned by adherence to policies and statements designed to reinforce the integrity of the research funded and the transparency of selection processes. Universities are required to comply with these requirements when accepting grants, with the following policies<sup>16</sup> particularly relevant:

- *ARC Conflict of Interest and Confidentiality Policy*
- *ARC Intellectual Property Policy*
- *ARC Research Integrity Policy*
- *National Principles of Intellectual Property Management for Publicly Funded Research*
- *National Statement on Ethical Conduct in Human Research*
- *Australian Code for the Responsible Conduct of Research 2018*.

ARC Grant Agreements also include obligations to comply with applicable legislation of the Commonwealth, or of a State, Territory, or local authority, as well as obligations to comply with Commonwealth policies.

Conscious of the shared responsibility for managing foreign interference and undisclosed foreign influence risks within the higher education and research sector, the ARC's requirements form part of a system of compliance, with universities committed under the *Guidelines to counter foreign interference in the Australian university sector* to manage and mitigate relevant risks.

## 7. Current University Safeguards

Whilst Australian universities are independent institutions they must ensure that they comply with all relevant legislation and requirements in undertaking research funded by the ARC as outlined above.

Recently universities have undertaken work in considering the proportionality of the risks for foreign interference and have a number of policies, systems, and processes in place to establish a positive security culture—though the extent of this work may vary across institutions.

Measures like the *Defence Trade Controls Act 2012*, the *Foreign Influence Transparency Scheme* and the *Guidelines to counter foreign interference in the Australian university sector* provide frameworks and guidance for universities to appropriately manage foreign interference, data theft, espionage and potentially sensitive/strategic technologies.

Additionally, compliance with the *Australian Code for the Responsible Conduct of Research* is a contractual requirement for all researchers and organisations in receipt of funding from the ARC. This requirement also applies to partner organisations, whether they are domestic or international. The Code and accompanying guidance material<sup>17</sup> specifically address issues around conflict of interest, collaborative agreements, data ownership and security and intellectual property which can be used to address foreign interference risks.

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<sup>16</sup> <https://www.arc.gov.au/policies-strategies/policy>

<sup>17</sup> Guides: Collaborative Research; Disclosure of interests and management of conflicts of interest; Publication and dissemination of research (<https://www.nhmrc.gov.au/about-us/publications/australian-code-responsible-conduct-research-2018>) (accessed 26/11/20)



This includes providing detailed advice on the identification and management of any potential misuse of the findings or outcomes of research including processes to comply with the *Defence Trade Controls Act*.

The Code specifically requires Australian research institutions to maximise the benefit for Australia from intellectual property generated from research. Although, it should be noted that it is common, and appropriate, for intellectual property to be shared by research collaborators and it is not illegal for it to be shared with partner organisations (domestic or international) as a pathway to commercialisation of research outcomes provided an appropriate agreement is in place prior to the commencement of the research.

Whilst the ARC does not seek to own, or benefit from, intellectual property created from ARC-funded research, it has in place an intellectual property policy<sup>18</sup> to facilitate an adaptable research and innovation environment, in which ARC-funded research can be used widely and the benefits can be realised for Australia. Intellectual property arising from ARC funded research will vest as agreed between the organisations collaborating on the research and should be managed according to the requirements of the *National Principles of Intellectual Property Management for Publicly Funded Research*<sup>19</sup>, and the Code.

## 8. International Responses to Foreign Interference

Much of the work underway internationally is consistent with the process of declaring interests that the ARC has put in place. This includes recent guidance from the USA Government that has emphasised the importance of disclosing financial interests, affiliations, activities and relationships with foreign entities. Several departments and agencies of the USA Government have imposed new foreign interest reporting requirements, restrictions, and/or provided supplemental guidance relating to personnel who participate in foreign talent programs, received foreign government support and that participate in USA Government contracts/awards<sup>20</sup>.

The National Science Foundation (NSF) and National Institutes of Health (NIH)—the two key competitive research funding bodies in the USA both seek to mitigate the risk from foreign beneficiaries. The NSF has modified its policy relating to reporting requirements for grant applicants concerning foreign awards or appointments<sup>21</sup> and commissioned an independent panel of scientists to report on the current state of research security and offer policy recommendations<sup>22</sup>. The NIH has clarified reporting obligations around the need to report foreign activities through documentation of other support, foreign components, and financial conflicts of interest<sup>23</sup>.

<sup>18</sup> <https://www.arc.gov.au/policies-strategies/policy/intellectual-property-policy> (accessed 26/11/20)

<sup>19</sup> <https://www.arc.gov.au/policies-strategies/policy/national-principles-intellectual-property-management-publicly-funded-researches> (accessed 26/11/20)

<sup>20</sup> <https://www.cossa.org/wp-content/uploads/2020/01/Research-Security-Hot-Topic-Jan-2020.pdf> (accessed 26/11/20)

<sup>21</sup> [https://nsf.gov/pubs/2019/nsf19200/research\\_protection.jsp](https://nsf.gov/pubs/2019/nsf19200/research_protection.jsp) (accessed 26/11/20)

<sup>22</sup> [https://www.nsf.gov/news/special\\_reports/jasonsecurity/JSR-19-2IFundamentalResearchSecurity\\_12062019FINAL.pdf](https://www.nsf.gov/news/special_reports/jasonsecurity/JSR-19-2IFundamentalResearchSecurity_12062019FINAL.pdf) (accessed 26/11/20)

<sup>23</sup> <https://grants.nih.gov/grants/guide/notice-files/NOT-OD-19-114.html> (accessed 26/11/20)

In October 2020, Universities UK (UUK) published detailed guidance<sup>24</sup> for institutions on measures to better safeguard against security related risks that can result from international collaboration. As with the work currently underway in Australia, *Managing risks in Internationalisation: Security related issues* expands on already existing mechanisms, with the aim of ensuring institutions are equipped to better identify and mitigate risks to enable collaborative international research work to be undertaken with confidence.

Whilst few countries have enforced strict mechanisms around foreign interference on a level comparable with the USA, global concern continues, including in Japan, which announced<sup>25</sup> it will look to the USA as a possible model for countering security risks.

## 9. Conclusion

The ARC recognises that the threat of foreign interference and undisclosed foreign influence is a significant issue for the research sector. However, these risks are evolving in a dynamic manner and international approaches to managing them in relation to the research sector speak to the delicate balancing act that funding agencies worldwide are facing—a need to strike an equilibrium between the benefits of allowing and promoting international research collaboration and academic freedom, and the threat that foreign interference may pose to national security and the translation of government investment in research that ultimately should be for the benefit of Australian society and the economy.

The ARC values the ongoing opportunity to work in delivering an approach that can mitigate the risk of foreign influence in Australia's university system through increased transparency, clear communication and cooperation across government and with relevant security agencies, and through providing the necessary support and guidance for universities.

In order for the ARC to continue to deliver on its purpose to grow knowledge and innovation for the benefit of the Australian community, it is important that it is able to continue to apply a considered, consistent, and country agnostic approach to the collaborative research that it funds to maintain Government and community confidence in administration of ARC grants.

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<sup>24</sup> <https://www.universitiesuk.ac.uk/policy-and-analysis/reports/Documents/2020/managing-risks-in-internationalisation.pdf> (accessed 26/11/20)

<sup>25</sup> Mallapaty, S., 2020. *Japan Considers Tougher Rules on Research Interference Amid US-China Tensions*. [online] Nature.com. <https://www.nature.com/articles/d41586-020-02273-w> (accessed 26/11/20)