



17 December 2020

Committee Secretary  
Parliamentary Joint Committee on Intelligence and Security  
PO Box 6021  
Parliament House  
Canberra ACT 2600

Dear Chair

**Re: Inquiry into national security risks affecting the Australian higher education and research sector**

**Key points:**

- UNSW acknowledges the threat of foreign interference and works closely with a range of government agencies to address these issues.
- Notwithstanding these concerns, international engagement by Australian universities remains critical to the national interest. International education serves a vital soft power diplomacy purpose and is a significant export industry for the nation, while international research collaboration has allowed Australian researchers to address critical issues such as COVID-19, or underpin new, job-creating, industries.
- Following the release of the University Foreign Interference Guidelines (UFIG), UNSW has been updating our risk management policies and due diligence practices. This work is ongoing, and we seek government's input into these policies and practices.
- Before entering into new arrangements with international partners, we have engaged extensively with relevant government agencies as part of a broader due diligence process.

**Recommendations:**

1. That the Committee recognise the importance of international collaboration to advancing Australia's national interests, and that this needs to be considered when designing any regulation or policies to mitigate against foreign interference.
2. Any measures relating to foreign interference at Australian universities are most likely to be successful where they are developed in partnership between government and universities, rather than imposed on universities. Any new measures should not duplicate existing measures already in place.
3. Clear advice should be provided to universities by government agencies to assist with the evaluation of risk in any collaboration, while clear roles and responsibilities should be established between universities and government.

UNSW Sydney welcomes the opportunity to contribute to this important inquiry into the national security risks affecting the higher education and research sector.

UNSW is proud of our standing as a world class university. We have educated hundreds of thousands of Australians, while our international education offering serves as an important bridge between Australia and the world. UNSW has also established a deep, trust-based relationship with the Department of Defence and the Australian Defence Force (ADF) for more than fifty years through the education of several generations of ADF leaders. Our contributions to both professional military education and defence-related research continue to be critical enablers of the ADF's readiness to defend Australia's sovereign interests.

UNSW's research output, meanwhile, continues to inform and contribute to Australia's response to important challenges such as the COVID-19 pandemic, while also offering the opportunity to develop new, job-creating industries. However, we also acknowledge the legitimate concerns of foreign interference that exist in the current rapidly changing geopolitical environment. UNSW is committed to continually improving our policies and processes to address these threats, and we look forward to working with the Committee on this issue.

### **Understanding the current operating environment**

UNSW recognises that foreign interference is a significant threat to Australia's national interests. In doing so, we have had the benefit of regular meetings with ASIO and we note ASIO's assessment that almost every sector of Australian society, including government, the intelligence community and academia, are potential targets of foreign interference. In particular, ASIO has stated that foreign governments seek information about leading research and technology.<sup>1</sup>

The university sector has been working proactively with government to respond to threats specific to the sector through the University Foreign Interference Taskforce (UFIT) established by Minister Tehan in 2019. The University Foreign Interference Guidelines (UFIG) developed by the Taskforce complement existing safeguards such as the Foreign Influence Transparency Scheme (FITS) and Defence Export Controls regimes to ensure that university operations are consistent with Australia's broader national security framework.

UNSW currently works closely with the Australian Government and its security agencies to actively identify and counter threats to national security, both collectively through the UFIT and other collaborative processes, and individually through briefings and issue specific engagement. We are committed to continuing this close and productive engagement.

### **International engagement and the national interest**

As a public institution, UNSW's over-riding purpose has always been a deep commitment to Australia's national interest. This includes providing high quality tertiary education to Australian students and undertaking research which underpins new technology and new industries, and which tackles domestic and global challenges.

Universities have a crucial role to play in advancing Australia's national interests. This is especially the case in critical areas such as defence and security where the government, universities and industry need to collaborate in order to accelerate our

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<sup>1</sup> Australian Government 2020, ASIO Annual Report 2019-20, Canberra 2020, available online at <https://www.asio.gov.au/asio-report-parliament.html>

sovereign capability and to sustain Australia's strategic and competitive advantage in the Indo-Pacific region.

Working in the national interest also means supporting Australia's soft power foreign policy objectives. The continuing importance of Australia's soft power diplomacy is reiterated in the 2017 Foreign Policy White Paper which notes that "our commitment to education, training and research exchanges will remain central to Australia's soft power".<sup>2</sup> UNSW's international engagement has always been consistent with, and in furtherance of, Australia's foreign policy objectives.

UNSW's support for Australia's international engagement agenda stretches back to the original Colombo Plan in 1952 when UNSW was the first Australian university to welcome international students. From the Colombo Plan to contributing to DFAT's Global Alumni Engagement Policy and accompanying federal ministers to countries across the world to advance Australia's trade agenda, UNSW's international engagement has been consistent with government policy over seven decades. The Foreign Policy White Paper further notes that partnerships and soft power diplomacy, such as science diplomacy and our joint research initiatives with China and India, strengthen bilateral relationships.<sup>3</sup> UNSW has followed the government's lead and actively supported the government's objective, outlined in the Foreign Policy White Paper, to strengthen Australia's Comprehensive Strategic Partnership with China for the benefit of both nations. Similarly, our efforts in India have actively contributed to the Australian Government's India Economic Strategy where we have collaborated with a range of agencies.

### **Consultation with the Australian Government on new initiatives**

UNSW has a long history of working cooperatively and productively with Australia's security agencies, including in the assessment of proposed new engagements with international partners.

For example, before entering into a \$100 million research partnership with the Qingdao International Academician Park (QIAP) in 2019, UNSW liaised closely with ASIO, DFAT, DESE and the Department of Home Affairs to explore national interest concerns about the focus and nature of the proposed partnership. We took advice from Minister Tehan and welcomed his counsel around conducting best practice due diligence. Through that process, we went to great lengths to ensure that the joint venture aligned with the UFIG and with Australia's national interest.

We undertook extensive third-party due diligence on our partners to explore and mitigate risks. In assessing the joint venture against criteria in the UFIG we were grateful for the assistance of representatives from ASIO, DFAT, DESE and the Department of Home Affairs. We also ensured that the proposed areas of research the partnership would cover included areas such as biomedical engineering and devices, renewable energy, and advanced manufacturing and did not include fields of research in the area of Defence, whilst also ensuring that the partnership fully complied with Defence Trade Controls.

In all of our dealings with ASIO, DFAT, Home Affairs and DESE, we were encouraged by the support expressed for our approach to exploring this opportunity and reassured by the input and advice we received. UNSW will continue that dialogue with government

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<sup>2</sup> The Commonwealth of Australia (Department of Foreign Affairs and Trade), 2017 Foreign Policy White Paper, Canberra, November 2017, available online at <https://www.dfat.gov.au/sites/default/files/2017-foreign-policy-white-paper.pdf>

<sup>3</sup>The Commonwealth of Australia (Department of Foreign Affairs and Trade), 2017 Foreign Policy White Paper, Canberra, November 2017

as the venture proceeds and will follow this engagement approach before entering other similar agreements. UNSW will also continue to undertake our own ongoing assessments to ensure that this partnership, and other international engagements, continue to meet our objectives.

Another example of a major overseas agreement was the signing of a memorandum of understanding with the Chinese Ministry of Science and Technology's Torch High Industry Development Centre in 2016 (the TORCH partnership). UNSW consulted with the office of then Prime Minister Turnbull, the Department of Prime Minister and Cabinet and DFAT. The signing ceremony in Beijing was attended by Prime Minister Turnbull, and we ensured that we had full Australian Government support before entering into this partnership. We have taken extensive steps to ensure that the arrangements with business and academic partners in the TORCH partnership comply with regulations and are in the national interest.

UNSW has been proactive in seeking advice from government whenever we have recognised the potential for a research collaboration to have a dual-use military application. During 2020, UNSW ceased an activity that we had proactively brought forward to Defence Export Controls after their review raised concerns.

### **The importance of international research collaboration**

With research undertakings, international collaboration is critical, allowing our academics and researchers to further develop their expertise through collaboration, and in some cases, commercialise their research to Australia's gain. University-led research is not only beneficial for the national economy - A 2018 London Economics study commissioned by the Group of Eight (Go8) found that every dollar invested in university research at a Go8 university such as UNSW returned \$10 to the economy<sup>4</sup> - it is critical to tackle pressing global challenges.

International collaboration is critical to university research, as ideas are exchanged and further developed. Many of the outstanding outputs arising from Australian university research have been possible because of knowledge gained from overseas partners. Advances in the development of solar photovoltaic cells at UNSW and world-leading research on HIV and Hepatitis C conducted by the Kirby Institute would not have been possible without the input of international partners.

International collaboration around COVID-19 has been critical to the work UNSW researchers continue to do to understand the disease and contribute to the development of a global solution.

UNSW is of course well aware that there are some areas where collaborative research partnerships should be encouraged, for example to tackle complex global challenges in areas such as climate, agriculture, medicine. We also understand there are other fields where all parties should be more cautious, such as defence or security related research that could potentially bring competitive military advantage to either party.

### **Engaging with government to manage national security risks**

With the rapidly changing nature of geopolitical relationships, it is now critical that we appropriately complement the value to Australia of our international engagement with appropriate safeguards against foreign interference.

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<sup>4</sup> London Economics, The Economic Impact of Group of Eight Universities (2018), available online at [https://www.go8.edu.au/Go8\\_London-Economics-Report.pdf](https://www.go8.edu.au/Go8_London-Economics-Report.pdf)

UNSW liaises with government agencies including ASIO, Department of Defence, Department of Foreign Affairs and Trade (DFAT), the Department of Education, Skills and Employment (DESE), the National Counter Foreign Interference Division at the Department of Home Affairs and Austrade as well as directly with ministers to ensure that we act consistently with the national interest.

UNSW also conducts rigorous assessments as required by the Australian Government's Defence Export Controls framework. This includes commissioning external commercial and risk reports for overseas funders and obtaining approval from the Commonwealth Department of Defence. In addition, UNSW is undergoing accreditation under the Defence Industry Security Program for Defence-funded research activities.

UNSW has worked closely and constructively with the UFIT. We were pleased to actively contribute to the development of the UFIG with representatives from UNSW involved in three of the four working groups which developed the guidelines.

### **UNSW's UFIG compliance work program**

Following the release of the UFIG and in recognition of the heightened security environment, UNSW is taking steps to update our risk management policies and strengthen our due diligence processes.

UNSW has established a new Division of Assurance and Planning, headed by Deputy Vice-Chancellor Professor George Williams AO. We have also established a working party with senior representatives from across the university to ensure UNSW's policies, procedures and practices integrate foreign interference exposure considerations and adopt best practice responses. This includes a review of UNSW's key policies and practices including, but not limited to, procurement, third-party engagements, gifts and sponsorships, recruitment and cyber security framework. Strengthening our policies and procedures following the review will be one of UNSW's key priorities for 2021. Once our suite of UFIG controls are established we will also introduce regular internal audits.

We are in the process of developing a government liaison strategy to assist in sharing information with government agencies such as ASIO, DFAT, Defence Security & Vetting Service and the Department Home Affairs. While UNSW does meet with Australian government agencies such as DFAT, Home Affairs and ASIO and we have been reassured that UNSW is doing well, we are nonetheless always looking for ways to further strengthen our systems and processes. To this end, we would appreciate more information sharing and more targeted advice from ASIO regarding the thresholds for when issues need to be discussed and at what stage of the timeline of consultation with Australia's security apparatus is required.

The UNSW UFIG working party's comprehensive work schedule indicates that even though we still have some work to do to ensure that our systems and policies are as robust as possible to counter all potential security risks, we are firmly committed to the task.

### **The need for continued collaboration**

UNSW understands that we are operating in a rapidly changing geopolitical environment and that greater scrutiny of universities' activities is necessary and to be expected. However, the optimal procedure to address Australia's security concerns is through a genuinely collaborative exercise, whereby policy, regulatory and legislative change are well-considered and evidence based. The UFIT model is a good example of government and universities working closely together on these issues. To be effective, any new regulations should also be developed in partnership with universities, underpinned by a

collaborative approach whereby each party understands what is required, and what challenges the other faces.

### **Conclusion**

UNSW welcomes this inquiry as an opportunity to further seek government's views as to how we can best address the risks inherent in the current strategic operating environment.

I welcome the opportunity to work with Committee members on this issue. If you wish to discuss any issue contained in this submission, please do not hesitate to contact our Deputy Vice-Chancellor (Planning and Assurance), [REDACTED] or our Head of Government Relations, [REDACTED]

Yours sincerely,

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UNSW Sydney