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SB18-000952

AUSTRALIAN UNIVERSITIES' COLLABORATION WITH OVERSEAS UNIVERSITIES – COMPLIANCE WITH THE DEFENCE TRADE CONTROLS ACT

ISSUE

There are media claims that Australian and Chinese academics are collaborating on dual-use technologies that may benefit China's military capabilities.

[NOTE: For information regarding the current review, refer to QB18-000816 *Review of the Defence Trade Controls Act 2012*]

KEY FACTS AND FIGURES

- Defence works extensively with Australian universities to ensure they are aware of, and understand, their export control obligations.
- Defence has provided over 20 different Australian research organisations and universities with:
 - more than 200 assessments to advise whether research activities are controlled; and
 - more than 160 permits for exports of controlled goods and technology.
- In 2018, Defence has undertaken outreach to universities and industry in Brisbane, Perth and Melbourne, and has upcoming outreach in Adelaide and Sydney, to:
 - explain their regulatory obligations;
 - raise awareness of risks associated with sensitive research and technology; and
 - develop a culture of compliance in relation to export controls.
- In 2017, these sessions were held across Australia with over 450 attendees from industry and academia.

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HEADLINE RESPONSE

- Australian and Chinese university collaborations make important contributions to research and development.
- Australia continues to welcome foreign research collaborations where they are not contrary to Australia's national interests and where they comply with Australia's export controls.
- Defence works extensively with Australian universities to enable them to conduct responsible international research collaborations that comply with Australia's export control provisions, including the Defence Trade Controls Act.
- Defence maintains contact with over 20 universities at a range of levels including with Vice-Chancellors Research, university export control compliance staff, individual researchers and faculties.
- Australian universities are subject to Australian export controls when they collaborate with overseas universities in areas of controlled technology.
 - These controls were introduced by the Defence Trade Controls Act in 2016.

Current media

Nil

BACKGROUND

KEY POINTS

The Defence Trade Controls Act Review

- A review of the Defence Trade Controls Act has commenced.
- Defence is not aware of universities not complying with the Act, but since the Act was introduced in 2016, the security environment has changed.
 - The current powers in the Act are not sufficient to effectively protect Australia's defence technology.
- Defence is seeking to strengthen existing powers in the Act to enable the government to prevent illicit access to technology significant to defence capability.

Outreach to Universities in 2018

- Defence has conducted outreach on export controls to the following universities in 2018:
 - Australian National University
 - Curtin University
 - Deakin University
 - Edith Cowan University
 - Flinders University
 - Griffith University
 - Monash University La Trobe University
 - Queensland University of Technology
 - Royal Melbourne Institute of Technology
 - The University of Queensland
 - The University of Western Australia
 - University of Melbourne
 - University of Technology Sydney

- University of the Sunshine Coast
- University of Wollongong

Australia's Defence Engagement with China

- The Defence relationship with China is an important part of our bilateral relationship.
- Defence has a strong relationship with China based on strategic dialogue, senior-level visits, exercises, maritime engagement and peacekeeping.

Visa Screening on Foreign Students

- The assessment of visas for foreign students is jointly undertaken by the Department of Immigration and Border Protection and the Department of Foreign Affairs and Trade.
- Questions on this matter should be directed to those departments.

CSIRO and Defence Trade Controls Act Compliance

- During Senate estimates hearings on 31 May 2018, the CSIRO took questions on notice regarding a possible breach of the Defence Trade Controls Act (reported in media on 1 June 2018).
- The export relates to an export of scientific equipment by CSIRO.
- The matter referred in this discussion does not relate to the Defence Trade Controls Act, thus, it would not be appropriate for Defence to provide further comment.

Overview of Recent Events / Relevant Timeline

Nil

If asked: How does Defence designate a technology 'sensitive' or 'critical to defence capability'?

- From a Defence view, technologies are considered sensitive if when acquired or exploited they could degrade mission effectiveness; shorten life of a system in terms of combat effectiveness; or reduce ADF technological advantage.

If asked: How does Defence interact with the Australian Research Council (ARC) and/or the National Health and Medical Research Council (NHMRC)?

- Both the ARC and NHMRC liaise with Defence on relevant research proposals being considered for funding.
- Defence provides guidance to the ARC and NHMRC on potential research proposals which may be impacted by export controls.
- ARC and NHMRC advise the funding applicants that they may need export approvals from Defence.

RELEVANT MEDIA

28 June 2018, Australian Financial Review "Unis helping military in China: report". The article states that China's Communist Party is seeking to exploit academic collaborations in Australia to modernise its defence capability and references a report by the Australian Strategic Policy Institute (ASPI) which recommends exploring updates and revisions to national export controls concerning dual-use sensitive technologies; in particular, Artificial Intelligence technologies.

Regarding CSIRO: 1 June 2018, The Australian, "Defence tech breach revealed". The article reported on CSIRO's 31 May estimates hearing and reported that officials advised of 'defence export issues in the past'.

- *Background to the above media article: During questioning by Senator Kim Carr on 31 May 2018, Ms Bennett from CSIRO stated that "...at some point in the past we have had an issue with Defence export [sic]". Ms Bennett committed to getting more information on notice on the matter. Ms Bennett's comments were in relation to a 'Defence export' issue and she did not provide further information on that issue (or any non-compliances) with the Defence Trade Controls Act.*

- s33(a)(iii)

18 May 2018, The Guardian, "Chinese military projects 'not funded' by university grants". The article states that the Australian Research Council (ARC) has dismissed concerns that university grants are helping to fund projects with links to the Chinese military. In response, ARC stated that they are very clear on their obligations under the Defence Trade Controls Act and they liaise with Defence on relevant funding proposals.

27 March 2018, a group of 35 Australian academics published an open letter in 'Policy Forum' supporting a national debate about Chinese influence and interference

across Australia, including within academia, to protect intellectual freedom and national security.

26 February 2018, Professor Clive Hamilton's book, 'Silent Invasion: China's influence in Australia', claims that Chinese-Australian academics and Australian universities are allowing the transfer of potentially national security sensitive research from Australian universities to the Chinese military.

QUESTIONS ON NOTICE

Other Questions on Notice

Nil

SSCFADT Questions on Notice Budget Estimates Hearing 29 May 2018

- In **QON 003** Senator Carr asked whether Defence had any evidence of non-compliance with the Defence Trade Controls Act by universities or research organisations since its implementation. Response lodged 29 May 2018.

FREEDOM OF INFORMATION (FOI)

- FOI 235/17/18 – Request by s22 for material related to Australian universities and China. Completed 12 Feb 2018.

RECENT RELEVANT MINISTERIAL COMMENTS

- Nil

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