

**OFFICIAL**

## PJCIS private briefing – responses to questions on notice

Which category of foreign principal poses the most common or prominent risk out of the four categories?

- **Foreign principal** is defined in section 10 of the *Foreign Influence Transparency Scheme Act 2018* (the FITS Act) as meaning:
  - foreign governments
  - foreign political organisations
  - foreign government related entities, and
  - foreign government related individuals.
- **Registrations:**
  - As of 12 November 2021, most activities registered under the Scheme were undertaken on behalf of a foreign principal who was a foreign government related entity (74%).
  - 15% were undertaken on behalf of a foreign government, 10% were undertaken on behalf of a foreign political organisation, and 1% were undertaken on behalf of a foreign government related individual.
- **Transparency risks:** While influence activities on behalf of any of the four categories of foreign principal can pose transparency risks, the department's experience is that there are greater transparency challenges with foreign government related entities in particular, as well as foreign government related individuals, because their status as a foreign principal can be more difficult to determine.
  - This is because their status as a foreign principal is defined by the nature of their relationship to a foreign government or foreign political organisation and that relationship can be obscure or obfuscated.
  - The department's enforcement activities have been focused primarily on foreign government related entities.

Will changing the definition of foreign principal have a chilling effect on individuals engaging in political activity, for example, through social media? How does the Act deal now with people who are simply expressing political views online?

- The department does not consider that potential changes to the definition of foreign principal would have a chilling effect on the expression of political views, including in social media.
- Under the FITS Act a person only has to register if they are undertaking an activity 'on behalf of' a foreign principal.
  - This means undertaking an activity under an arrangement with, in the service of, or under the order, request or direction of a foreign principal.
- The Act seeks to ensure that when certain activities are undertaken on behalf of a foreign principal, the Australian public and government decision makers are aware of the source of the message and its potential political objectives.
  - This ensures the sources and interests behind activities are transparent, which promotes freedom of expression and participation in public affairs by encouraging and promoting a transparent political system.
  - It is not the intention of the FITS Act to deter public engagement in political activity or expression.
- If there were any concerns about the extent to which the expression of political views constitutes registrable activity, consideration could be given to the scope of the definition of communications activities under the FITS Act and any exemptions.

# Process and timeframe to undertake an assessment under the FITS Act

