



12 February 2021

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

Via email: pjicis@aph.gov.au

Dear Secretary

Security Legislation Amendment (Critical Infrastructure) Bill 2020

Swinburne University of Technology is grateful for the opportunity to make a submission to the Parliamentary Joint Committee on Intelligence and Security's inquiry into the *Security Legislation Amendment (Critical Infrastructure) Bill 2020* (the Bill). This submission will address the review of the Bill only and will not address the Statutory Review of the Security of Critical Infrastructure Act 2018.

Background

The Australian higher education sector is a vital part of the nation's economy, employing over 130,000 people¹ and serving 1.6 million domestic and international students². The combined research of Australian universities enriches our national discussion and helps propel innovation in all fields. Promoting and protecting this sector is thus a priority.

Swinburne concurs with the Australian Government that safeguarding our critical infrastructure and systems of national significance is of the utmost importance to our national security, and we appreciate the care that has been taken to ensure all relevant sectors are able to co-design the standards that will apply to them. We also recognise that given the increasing integration of industry, university and government activity into the digital realm, there are increasing risks to the security of our institutions.

However, we believe that any new strategy designed to protect critical infrastructure must be carefully constructed to achieve its purpose, while not negatively impacting on universities' ability to serve their communities. While the government clearly recognises that the new legislation may place additional burdens on the university sector, as made evident in the Explanatory Memorandum and Regulation Impact Statement that accompany the release of the bill, we suggest there are a few matters that deserve further consideration:

¹ *Education.gov.au/staff data accessed 1 February 2021*

² *Education.gov.au/student data accessed 1 February 2021*

Key feedback

Swinburne echoes the concern of Universities Australia (UA) that many of the powers provided to the Government though the Bill will be enacted by rules outside the text of the legislation. Therefore, we support their recommendation that these details should largely be included within the Bill. This will give universities more confidence regarding future planning, which is particularly important during this period of extreme uncertainty resulting from COVID-19.

Swinburne also notes that the cost of positive security obligations and enhanced cybersecurity measures for assets deemed to be Systems of National Significance, will be difficult for universities to absorb given the current funding situation and decrease in income from international student enrolments. Modelling suggests that due to the pandemic, the higher education sector may lose \$16 billion in revenue by 2023³. Therefore, the Commonwealth must ensure that universities are adequately funded to meet their responsibility of providing quality education and respond to these new security requirements. While security from foreign interference is of paramount importance, equally important is the economic security provided by having a robust tertiary sector. We recommend that the Government work closely with the sector to ensure that the legislation has minimal impact on essential university operations.

An additional is that without some changes the Bill may disincentivise collaboration between universities and industry. Greater connection between these two pillars of society needs to be fostered, particularly during the economic recovery from Covid-19. This is a core interest of Swinburne, and our Factory of the Future and Industry 4.0 test labs are examples of what can be achieved when industry and academia work together. However, a 2017 OECD report ranked Australia last for businesses collaborating on innovation with higher education or research institutions⁴, which demonstrates the need for further efforts to develop the industry-university nexus. We recognise that the Commonwealth is committed to increasing collaboration, as recent policy decisions indicate. Therefore, it is vital that this legislation does not work against these efforts.

Given the number of other pieces of legislation and regulatory requirements related to foreign interference, we also ask the government to reflect on how best to ensure all these align to produce a coherent and cohesive strategy that protects our national interest and ensures our security. The text of the Explanatory Memorandum suggests that the Commonwealth is aware of the possibilities of duplication and is committed to working with relevant industries to avoid it. We call on the Government to continue this consultation process.

Recommendations:

- 1. The rules regarding university obligations be predominantly included within the legislation, and that the Commonwealth continue to work with the sector.**
- 2. The Commonwealth provide appropriate financial assistance to ensure that universities can meet their new obligations.**

³ *Universities Australia COVID 19 to Cost Universities \$16 Billion by 2023 2020*

⁴ *Organisation for Economic Co operation and Development OECD Science Technology and Industry Scoreboard 2017 2017*

3. **The Commonwealth include measures to ensure that the new legislation will not disincentivise university-industry collaboration.**
4. **The Commonwealth continue to work with the university sector to ensure that the new legislation does not duplicate or add unnecessary complexities to existing national security arrangements.**

Thank you for your consideration of this submission, and should you require further information, [REDACTED]
[REDACTED] Director, Government, Industry and Community Engagement, can be reached at

Yours sincerely

[REDACTED]
Professor Pascale G. Quester
Vice-Chancellor and President