Australia-China Relations Institute
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Opinion

Lessons from Chinese government interference in Australia

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Australia has been held up as a 'canary in the coalmine' of the threat that other liberal democracies face from Chinese government interference operations. When accused of exaggerating the threat, the Australian voices that overseas analysts are most likely to be familiar with — the country's more strident national security hawks and anti-communist campaigners — have two standard retorts. The first is that their critics, often coming from Australia's diplomatic, business or education sectors, simply do not get China under Xi Jinping: the ramping up of its military capability and 'sharp' power, as well as the hardening of its ideological bent. The second is that those supplying less strident threat assessments have been bought off by Beijing.

But in May 2020 the punching power of these retorts diminished when Dennis Richardson, a former director-general of the Australian Security Intelligence Organisation (ASIO) and recently-retired head of the Department of Defence, described those deploying them as 'national security cowboys'. Then in July last year, Duncan Lewis, the immediate-past ASIO director-general, also warned that there had been an 'over-egging' of some of the claims around foreign interference. It was 'very easy', he warned, for a sensible discussion to 'slip off the rails' and for erroneous assertions to suddenly start flying that there were 'spies under every bed'. In remarks delivered earlier this month, Mike Burgess, the current ASIO boss, noted it was important to put foreign interference 'in context', explaining that, 'While attempts to interfere in our democratic processes are common, successful interference is not'.

These interventions were compelling because Richardson, Lewis and Burgess have held higher and more recent security clearances than anyone at the Australian Strategic Policy Institute (ASPI), the think-tank at the vanguard of propagating the China Threat narrative in Australia, and increasingly, beyond. No one is suggesting that Chinese interference does not happen or can be readily ignored. The task at hand is accurately defining the problem, right-sizing its scale, and responding effectively to the risk. Burgess cautioned that because it would undermine stakeholder engagement and stoke community division, allowing a sweeping fear of foreign interference to proliferate 'would perversely have the same corrosive impact on our democracy as foreign interference itself'.

The case of scientific research collaboration

It is useful to locate these broad points in a specific context. Consider the case of scientific research collaboration. China spends around USD 500 billion on research and development (R&D) annually. Australia spends around USD 20 billion. In 2020, a single Chinese technology company, Huawei, dedicated more dollars to R&D than all Australian businesses combined. Like many middle and smaller powers, such differences have long meant that Australia's ability to remain at the science and technology frontier depends on being connected internationally. Not surprisingly, as China's status as a global scientific superpower has grown,

so too has its status as a research partner. By 2019, the proportion of Australia's scientific and research publications that involved a Chinese co-author reached 16.2 percent, edging ahead of the US at 15.5 percent.

Yet accompanying the Australia-China science boom have been allegations that Beijing has used these connections to fuel its military modernisation and steal intellectual property (IP). There is substance behind concerns about foreign interference in universities. ASIO said last year that it was 'aware of researchers and their families who have been threatened, coerced or intimidated by actors seeking to have their sensitive research provided to a foreign state'. An 'awareness' of other types of interference in universities were listed too.

But there remains a significant gap between what the more alarmist voices are saying and authoritative sources. In August 2020, ASPI released a report — funded by the US State Department to the tune of USD 145,600 — that warned of the dangers around Chinese government initiatives like the 'Thousand Talents Plan' (TTP). The TTP was instituted to forge links with overseas experts and reverse the 'brain drain' that had seen members of the Chinese diaspora base themselves at research institutions abroad. The ASPI report claimed such programmes were 'widely associated' with everything from espionage that endangered national security to IP theft to human rights abuses. The report's author estimated that 'at least 500 or 600 people, if not many more' at Australian universities were implicated.

In an apparently coordinated splash, only a few days later the national broadsheet, *The Australian*, published the names and photos of 32 local academics who were said to have 'been recruited to the Thousand Talents Plan...or [who] have registered their intellectual property in China'. Nearly all were of Chinese ethnicity. Emphasising that many had also received Australian taxpayer-funded research grants, the front-page headline screamed 'China's great science swindle'. The ASPI report was cited and well-known China hawks in government were on hand to supply quotes. Andrew Hastie, then-chair of parliament's joint intelligence committee, contended that Australian research and IP was 'being plundered by the CCP [Chinese Communist Party]'. The current chair, James Paterson, said they were 'profoundly disturbing revelations'.

Those wanting to drive a scientific decoupling between Australia and China might be getting their wish. The Australian Research Council (ARC), which administers the nation's largest, publicly-funded grants schemes, has admitted to using sources such as ASPI and *The Australian* to maintain 'sensitivity files' on applications since July 2020. Universities are fearful for their reputations. This year, the number of Discovery Grants (a flagship ARC grant scheme) awarded that involve Chinese collaboration stands at just 23. This compares with an average of 61 each year from 2019 to 2021.

Counting the cost

As China grows to be a world leader in an expanding number of fields, the costs from any scientific decoupling for Australia will rise. Still, might the risks that collaboration poses just be too great? Unlike many of the allegations contained in think-tank reports, which are then amplified by the mainstream press and leveraged by political actors to build momentum for a China decoupling agenda, risk assessments based on hard evidence are often found buried deep in the transcripts of estimates hearings and parliamentary inquiries. These show that on 20 October 2020, ASIO's Burgess plainly stated that 'being a member of the [Chinese government's] Thousand Talents Program is not in itself a problem for me or Australia in general'. What mattered was that any involvement is openly declared. It certainly was not illegal.

On 11 March 2021, he went further, warning of a 'need to be cautious about over-generalising the motivations of foreign intelligence services', specifically citing the existence of China's Thousand Talents Plan as an example and observing it to be unremarkable given Beijing's aspirations for the country to become a science powerhouse. Protecting against the leakage of Australian technology and scientific knowledge that might impinge upon national security is the job of the Defence Trade Controls Act 2012. On 22 March 2021, Burgess put on the public record that 'ASIO is not aware of any breaches'.

Some commentators might feel that the Act itself is deficient. But that is a tough case to argue when it was only recently the subject of an independent expert review to ensure it remained fit for purpose. On 4 June 2021, the ARC told an estimates hearing that all claims made by *The Australian* relating to researchers who were recipients of a current or previous ARC grant had been 'resolved'. No national security breaches were

found. The total number of 'issues' identified stood at just three and these related to only two researchers. Presumably, these 'issues' related to conflict-of-interest declarations on grant applications because on 28 October 2021 the ARC also confirmed that it was 'not aware of any theft of intellectual property'.

Undeclared double-dipping on salary and project funding constitutes academic misconduct, not something grander like espionage. And all of this is in the context of ARC grants schemes that involve more than 6,000 applications each year and which currently support more than 12,000 researchers.

Eyes on Sydney and Boston, not Canberra and Washington

In the US, a similar gap has opened in the Department of Justice's China Initiative between widely publicised allegations, and hard facts and evidence. The result is growing calls for it to be wound up. Smaller players in global science and innovation ecosystems like Australia would also do well to look beyond headlines in *The Wall Street Journal* and the like, or the comfortable foreign policy consensus often evinced by the Washington beltway, to what is happening in labs and research centres across America.

Despite all the fire and fury directed at China by the Trump administration, the proportion of US international publications involving China continued to increase — from 22.8 percent in 2016 to 26.3 percent in 2020. It is now double the proportion of the UK in second place. Also, be reminded of the advice offered in 2019 by Peter Varghese, a former head of the Department of Foreign Affairs and Trade and now Chancellor of The University of Queensland: 'For Australia, there is no sensible alternative to engaging China... [T]he notion that global technology supply chains can be divided into a China-led system and a US-led system is both economic and geopolitical folly'.

Lancaster University's Andrew Chubb pinpoints the big lesson from Australia's experience with Chinese government interference: the risks must be disaggregated with each accorded its own assessment and response. In the case of research collaboration, targeted interventions aimed at improving compliance with conflict-of-interest declarations make some sense. But when the evidence points to existing risk mitigation frameworks effectively handling the challenges around national security and IP, allowing a climate to settle that views ties with China as broadly problematic does not serve the national interest. It is closer to being an own goal.

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