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Parliamentary Joint Committee on Intelligence and Security

Review of the *Australia's Foreign Relations (State and Territory Arrangements) Amendment Bill 2026*

Dear Committee

Submission to the Review of the *Australia's Foreign Relations (State and Territory Arrangements) Amendment Bill 2026*

Australia's university sector is a national asset, making a significant economic, cultural and social contribution to the nation. Our universities have a long history of collaborating across borders to develop the knowledge, skills and research Australia needs to become more connected, prosperous and secure.

Australia's universities recognise their important responsibility to identify and manage risks associated with international engagement. Effective research security and foreign interference safeguards are essential to protecting Australia's national interest and maintaining public confidence in international education and research collaboration.

Universities Australia (UA) has consistently advocated for the University Foreign Interference Taskforce (UFIT) to remain the primary forum for coordinating government and university responses to research-security and foreign-interference risks. The Foreign Arrangements Scheme (the Scheme) should complement this collaborative, intelligence-led approach and avoid creating duplicative or inconsistent regulatory obligations.

UA has supported the Scheme's foreign policy and national security objectives from the outset but has consistently argued that its operation for universities must be clearer, more proportionate, less administratively burdensome and more tightly focused on genuinely high-risk arrangements.

UA engaged extensively with the Independent Review of the Foreign Arrangements Scheme, led by Ms Rosemary Huxtable AO PSM, and we welcomed the Australian Government's acceptance of the review's recommendations. UA also contributed feedback on an earlier draft of the Bill in May this year.

The Bill, as introduced, responds positively to many of the issues raised by UA and our members through the Huxtable Review and subsequent consultation. It represents a significant opportunity to make the Scheme more targeted, proportionate and effective while preserving the government's capacity to manage emerging risks and providing universities and their international partners with the certainty needed to develop long-term, high-value collaborations.

UA's principal outstanding concerns are the breadth of the proposed power in section 51A to require notification of otherwise exempt or subsidiary arrangements and the expanded national interest test.



Without clear statutory thresholds, these changes could reintroduce significant compliance obligations that are inconsistent with the Bill's broader deregulatory intent.

UA therefore recommends that the Committee support the Bill subject to the following amendments and safeguards. These recommendations are expanded on later in our submission.

Recommendation 1: Amend proposed section 51A to establish a clear, risk-based threshold for requiring notification of otherwise exempt or subsidiary arrangements and to ensure any notification requirement is targeted and proportionate.

Recommendation 2: Amend the Bill to require decisions made under the expanded national interest framework under Part 1 to be proportionate to the identified risk and, wherever practicable, preceded by consultation with affected universities.

Recommendation 3: Amend the statutory-review provision so that the first review commences within three years of the amendments taking effect and subsequent independent reviews occur at least every three years (Part 10).

Measures supported by Universities Australia

The Bill addresses many of the reform priorities consistently raised by UA and its members. UA particularly welcomes the following measures.

Information sharing (Part 2)

UA supports measures that coordinate whole-of-government decision making and welcomes the further clarity on entrusted persons and the circumstances in which relevant information may be disclosed. This directly addresses our feedback on the exposure draft.

Institutional autonomy assessed on a country-wide basis (Part 5, Item 17)

UA supports the shift in focus from an institution's governing documents to a country-wide assessment. This will reduce the administrative burden on universities by removing the need to source governing documents and, in some cases, translate them. UA also welcomes the narrowed focus on substantial institutional autonomy control and indicators to support this. Where feasible, transparent indicators and intelligence such as a list of foreign universities deemed to not have institutional autonomy (as outlined in Recommendation 17 of the Independent Review) would reduce compliance burden on universities.

One-step notification (Part 11, Item 37)

One-step notification for non-core arrangements is welcomed by the sector as a significant step towards reducing this regulatory burden. UA appreciates the clarification that a notification for expired arrangements is only applicable if the arrangement has been terminated prior to the date provided.

Public register reforms (Part 12 and Part 14)

UA welcomes the reforms to remove unnecessary clutter from the public register by focusing it on arrangements currently in operation and removing expired or abandoned agreements.



Notification of existing arrangements of prescribed entities (Part 13, Item 51)

UA welcomes the introduction of a three-month minimum notification period for the new requirement to notify the Minister about non-core foreign arrangements with prescribed entities. Appropriate notice will be important to support universities to identify relevant arrangements and meet the new requirements.

Inclusion of overseas campuses (Part 16)

UA notes the extension of the Scheme to arrangements entered into through overseas campuses of Australian universities and welcomes the proposed six-month transition period. Given the range of legal, governance and partnership structures through which overseas campuses operate, clear implementation guidance will be important to support consistent compliance with the new obligations.

Notification of exempt or subsidiary arrangements

UA's principal outstanding concern remains proposed section 51A in Part 4, Item 13.

The provision preserves a broad ministerial power to require notification of arrangements that would otherwise be exempt from notification or treated as subsidiary arrangements. The Bill, as introduced, explains the purpose and mechanics of the power more clearly than the exposure draft, but it does not significantly constrain or clearly define the circumstances in which the power may be exercised.

UA recognises that a targeted power may be necessary to respond to emerging or unforeseen risks. However, if exercised broadly across categories of university arrangements, the power could require institutions to identify, review and notify large volumes of arrangements that the legislation otherwise treats as exempt.

For universities with extensive global research and education partnerships, a broad class-based notice could require the reassessment of a significant number of otherwise exempt or subsidiary arrangements, including arrangements presenting little or no identifiable risk.

This would dilute the regulatory relief delivered elsewhere in the Bill, create uncertainty for universities and their international partners, and divert compliance resources away from arrangements presenting genuine risk.

Recommendation 1: UA recommends that proposed section 51A be amended to provide that the Minister may require notification of an otherwise exempt or subsidiary arrangement only where the Minister is reasonably satisfied that notification is necessary to assess or manage an identified risk to Australia's national interest.

Any notice issued under the provision should:

- be targeted and proportionate to the identified risk
- identify the arrangement, entity or clearly defined class of arrangements concerned
- provide a reasonable period for compliance, and



- not operate as a routine or broad-based replacement for notification requirements otherwise removed by the Bill.

The Explanatory Memorandum and implementation guidance should reinforce these principles and provide practical examples of when the power may appropriately be used.

The development of this guidance and the associated implementation arrangements should occur through UFIT to ensure the Scheme is informed by sector expertise, aligned with the broader research-security framework and focused on genuine areas of risk.

The expanded national interest framework

The Bill broadens the national interest framework to encompass Australia's national security, economic security, foreign policy and foreign relations interests (Part 1). UA recognises that broadening the grounds for ministerial intervention is intended to respond to the increasing complexity of international research, education and technological partnerships.

However, these concepts are necessarily broad and may create uncertainty for universities and their international partners unless the criteria for intervention and the safeguards applying to ministerial decisions are clearly articulated.

Major international research and education partnerships are often developed over many years and involve substantial institutional, financial and reputational commitments. Uncertainty about how the expanded national interest test will be applied could make international partners more reluctant to enter long-term arrangements with Australian universities and affect Australia's attractiveness as a destination for globally significant research collaboration.

Recommendation 2: UA recommends that the Bill be amended to require decisions involving the imposition of conditions, refusal, variation or termination of a university arrangement to be proportionate to the identified risk and, wherever practicable, preceded by consultation with the affected university.

The Explanatory Memorandum and implementation guidance should further provide for reasonable implementation periods, consideration of less restrictive risk-mitigation measures and reasons for decisions to the fullest extent compatible with national security and confidentiality requirements.

These safeguards would improve predictability and confidence without limiting the government's ability to respond to genuine risks.

Statutory review

UA welcomes the inclusion of the statutory review mechanism in Part 10 of the Bill. A regular independent review will help ensure that the Scheme continues to respond effectively to changing geopolitical, technological and research-security risks while remaining proportionate and administratively workable.

A statutory review is not a substitute for clear legislative safeguards at the time decisions are made. It is, however, an important mechanism for testing whether the Scheme is achieving its objectives without creating unnecessary or unintended regulatory burden.



Recommendation 3: UA recommends that Part 10 be amended so that the first statutory review commences within three years of the amendments taking effect and subsequent independent reviews occur at least every three years.

More frequent reviews would also:

- protect against regulatory creep
- test whether compliance obligations remain proportionate to risk
- enable government and universities to respond to changing geopolitical, technological and research-security conditions, and
- help ensure that new powers, particularly proposed section 51A, do not create unintended burden over time.

The amendments recommended in this submission would strengthen the Bill by ensuring its expanded powers are targeted, proportionate and supported by appropriate safeguards.

We look forward to continuing to work closely with the Australian Government through the University Foreign Interference Taskforce and other forums to ensure a coordinated and collaborative approach to managing emerging national-security risks. We would welcome further engagement with the Committee as the review progresses.

Yours sincerely

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