

Australia's Position on Regulating Artificial Intelligence

Background

Artificial intelligence ("AI") is experiencing exponential growth, positively transforming various aspects of life. However, concerns about potential risks are also arising. Embracing this progress, the Australian government ("the Government") has been giving priority to ethical considerations while focusing on technology and AI advancement for years. In 2022, the Department of Industry, Science, and Resources of the Australian Government (the "Department") sought public input on AI regulation and automated decision-making. Moreover, the government demonstrated its commitment by allocating \$101.2 million in the 2023-24 May Budget to support businesses in the quantum and AI technologies sector.

On 31 May 2023, the Department issued a discussion paper ("Discussion Paper") to gather views on how AI should be regulated, how it can mitigate potential risks and at the same time support safe and responsible AI practices.

Codes of Conduct

The Discussion Paper emphasises the need for risk mitigation measures in AI applications, particularly for high-risk scenarios. These measures aim to instil confidence in businesses investing in AI innovations. The Department considers various approaches to regulate AI, such as creating AI-specific laws, industry-driven code of conduct, regulatory collaboration, issuing technical standards, and even bans or prohibitions on specific AI uses.

These regulatory tools may be used in accordance with a risk management approach, proportionate to the nature of AI technologies. The risk management framework should address context-specific risks of AI, allowing flexibility based on AI deployment. It should also impose lighter obligations for lower risk AI uses while allowing AI to be used in high-risk settings where the risk and costs are justified and can be explained. The use of regulatory tools and the design of the risk management system should comply with Australia's 8 voluntary AI Ethics Principles below, to ensure AI is safe, secure and reliable.

- Human, societal and environmental wellbeing
- Human-centred values
- Fairness
- Privacy protection and security
- Reliability and safety
- Transparency and explainability
- Contestability
- Accountability

Next Steps

The safe and responsible deployment of AI offers significant opportunities for Australia's economic and social progress. Providing certainty on AI business operations is crucial for sustainable growth in the region. As governments worldwide work towards regulating AI, we can expect more guidelines and regulations to shape the future of AI and related technologies.

Firms offering AI-enabled solutions will need to reevaluate their business models, and consider whether their services responsibly utilise AI technologies and whether such usage poses risks to the Australian government and the public. To read the full Discussion Paper, please click [here](#).

If you need any help or further information, please contact Tanja Listar:

Tanja Listar - Managing Director, General Counsel APAC

+61 466778482

tlistar@cleveland-co.com



<https://cleveland-co.com/>



<https://uk.linkedin.com/company/cleveland-co>

