Australian Government
Australian Renewable
Energy Agency

ARENA

Inquiry commences into public sector AI use

The Joint Committee of Public Accounts and Audit (JCPAA) has commenced an inquiry into the use and governance of artificial intelligence (AI) systems by public sector entities.

The Chair of the JCPAA, the Hon Linda Burney MP, said that 'evidence to the Committee's 2022-23 Commonwealth Financial Statements inquiry indicated an increased adoption of AI by public sector entities and a lack of adequate governance frameworks to regulate and monitor this use. The Committee has decided that oversight is needed of the current and potential future impacts of this fast-developing technology in delivering outcomes for the Australian public.'

The inquiry will have regard to the following:

- the purposes for which AI is currently being used by the public sector entity and whether there are planned or likely future uses
- the existing legislative, regulatory and policy frameworks that are relevant to the use of AI and whether they are fit for purpose
- whether the internal governance structures that currently exist for AI will ensure its ethical and responsible use by public sector entities
- the internal framework/policies or additional controls used for assessing the risks associated with the use and possible misuse of AI, including the areas of security, privacy, ethics, bias, discrimination, transparency and accountability
- whether there is an adequate line of sight to the output of AI, and the decisions made through its use
- whether the public sector has the internal capability to effectively adopt and utilise AI into the future
- whether there are sovereign capability issues to consider given that most AI tools currently used in Australia are sourced from overseas
- any other related matters.

The Committee invites submissions to the inquiry addressing the terms of reference by **Friday 25 October 2024**.

The Committee will make use of existing submissions to the *Inquiry into Commonwealth Financial Statements 2022-23* that were requested from Commonwealth agencies on their use of AI.

Submission on AI Policy and Implementation by ARENA

Artificial Intelligence at ARENA

Introduction

The Australian Renewable Energy Agency (ARENA) provided a response to written questions from the Joint Committee of Public Accounts and Audit (JCPAA) on the use of artificial intelligence at ARENA, which was provided through the Australian National Audit Office.

This further submission is in response the JCPAA's request earlier this month, specifically:

- whether the public sector has the internal capability to effectively adopt and utilise AI into the future
- whether there are sovereign capability issues to consider given that most AI tools currently used in Australia are sourced from overseas
- any other related matters.

ARENA is developing a policy framework to identify and manage AI content, to underpin secure and effective implementation in its operations in a measured and controlled manner. ARENA recently completed a trial of Copilot for Microsoft 365 as part of a Whole of Government trial and is now extending the services to a selected group of workers with a business case for access to Copilot.

ARENA has been evaluating various AI tools and services as part of its core operational capabilities while implementing a foundational security structure that ensures governance and controls. This includes an internal policy governing AI usage that adopts best practices from industry experts, and conforms with Australian Government guidelines and frameworks, including those published by the Digital Transformation Agency (DTA), Department of Industry, Science and Resources (DISR), and the Australian Cyber Security Centre (ACSC).

Our policy has been reviewed and endorsed by our ICT Governance Committee, which includes external expert advisors.

Purpose of AI Usage

ARENA leverages AI to augment its internal operational capabilities. The deployment of AI within ARENA is structured to be secure, controlled, and efficient, so that AI tools are used responsibly and with transparency.

The primary objectives include:

- Improving operational efficiency
- Ensuring secure and effective implementation of AI tasks

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- Enhancing monitoring and reporting mechanisms

AI implementation at ARENA

Copilot for Microsoft 365

ARENA recently completed a trial of Copilot for Microsoft 365 as part of a Whole of Government initiative to explore AI tools. The trial aimed to innovate and enhance productivity and identify value-adding internal use cases. Based on this trial and the development of an AI Policy, ARENA plans to expand these capabilities to more users, focusing on developing an AI-related risk framework, security measures, policy governance, and identifying AI use cases to boost productivity.

Development of AI Policy Framework:

ARENA is developing a policy framework to manage AI usage, including the following documents which are either approved or in development:

- AI Risk assessment framework
- Guidelines for using AI
- AI Policy and procedures
- AI Related approval process
- AI evaluation and reporting framework
- AI usage auditing, and user training framework

Compliance with Commonwealth guidance:

The agency is adopting best practices from the DTA, DISR, and the ACSC.

Monitoring and Reporting Mechanisms:

ARENA employs advanced logging tools to detect AI activities and ensure transparency and security in content generation.

Internal Training Programs:

Comprehensive training programs are being developed to equip workers with the necessary skills to manage AI tools and processes on an ongoing basis.

Internal Capability to adopt and utilisation of AI

ARENA has been actively evaluating various AI tools and services to integrate them into its core operational capabilities. AI tools under consideration are Microsoft Copilot, Salesforce AI services and other third-party bespoke solutions.

ARENA is continuously evaluating its internal capabilities to effectively adopt and utilise AI. We are developing information sessions and training programs to support AI policy

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frameworks and governance controls. These initiatives are designed to ensure that our workforce is well-prepared to manage AI tools and processes both now and in the future.

Identifying AI-Generated Content

ARENA's AI Policy includes recommendations to identify AI usage with advanced monitoring and reporting mechanisms. Our logging system detects AI usage patterns to ensure transparency and security in content generation.

ARENA AI policy encourages users to state when they make use of AI in an internal or external document.

Sovereign Capability Issues

While most AI capabilities are sourced from overseas, ARENA emphasises the importance of addressing sovereign capability issues. ARENA's AI policy includes guidelines on security, data sovereignty, and compliance with national standards. It identifies approved and non-approved AI tools, ensuring implementation remains secure and complies with Australian regulations.

ARENA has established AI Guidelines focusing on security, data sovereignty, and compliance with national standards. Data security, access controls, and encryption policies are enforced by ARENA and third parties.

Conclusion

While not in a position to comment on the public sector as a whole, ARENA is carefully and methodically trialling AI internally, identifying internal use cases, and developing internal governance frameworks and support for users. We are eager to explore the potential for AI to assist us in our mission, and to do so consistently with relevant legislation, regulation and best practice.