



## **Services Australia submission to the Joint Committee of Public Accounts and Audit Inquiry into the Use and Governance of Artificial Intelligence Systems by Public Sector Entities Terms of Reference**

### **1. Whether the public sector has the internal capability to effectively adopt and utilise AI into the future**

Through continued investment in building staff skills, knowledge and capability, supported by incorporating a stable and robust assurance and governance process, Services Australia (the Agency) aims to have adequate internal capability to explore adoption of safe, ethical and responsible AI.

A well-equipped, empowered and informed workforce is critical to assist in providing internal capability. The agency is in the process in identifying critical and emerging roles and skills across the agency and ensuring that we support staff to utilise the opportunities presented by automation and AI technology.

The agency is currently developing and implementing strategies for attraction, retention, learning and career pathways for specific roles, and a general understanding for all staff. Several initiatives are already underway, which includes specific training for senior leaders on the safe and responsible use of emerging technologies, including AI.

Services Australia is adopting a Whole of Australian Government approach to the safe and responsible use of AI, and is playing a key role in implementing the requirements associated with the WOAG policies and frameworks, such as:

- National Framework for the Assurance of AI in Government,
- Australia's AI Ethics Framework,
- Policy for the responsible use of AI in Government,
- The voluntary AI safety standards guide on safe and responsible use of AI in Australia, and
- The proposed paper for introducing mandatory guardrails for AI in high-risk settings.

The implementation of the WOAG requirements will strengthen Services Australia existing policies and frameworks.

### **2. Whether there are sovereign capability issues to consider given that most AI tools currently used in Australia are sourced from overseas**

Information security considerations with regards to the use of artificial intelligence (AI), is essential for all Australian government agencies. The Agency acknowledges and aligns to the Commonwealth Digital and ICT Investment Oversight Framework, The National Framework for the Assurance of Artificial Intelligence in Government, and the 2023-2030 Australian Cyber Security Strategy (amongst others), ensuring that all "AI systems respect and uphold the privacy rights of individuals and ensure the protection of data".

The agency follows the Digital Transformation Agency's standards on the use of cloud services, including for AI. This incorporates the use of certified onshore data centres for any cloud-based technology solutions that require the use of personal and sensitive data.

Data sovereignty and data security are key considerations when implementing new AI capabilities, as for cloud solutions more broadly.

The agency has a robust policy framework with constraints set out in various policies, which identify a range of controls in how we use, store and process information we hold:

- Security Policies (classification, data handling, data sharing),
- Cyber Security Policies (confidentiality, integrity and availability, sovereignty, supply chain),
- Data Policies (acceptable use, standards, DLP, ethical data use, data stewards),
- ICT Policies (system of record/decision/insight, Business/System Owner)

- Privacy Policies (PII, FOI)
- Secrecy Policies (Legislative requirements).

A recent direction provided under the Protective Security Policy Framework (PSPF) specifically also requires assessment of managing foreign ownership, control or influence risks when acquiring technology ([PSPF Direction 001-2024 - Managing Foreign Ownership, Control or Influence Risks in Technology Assets \(protectivesecurity.gov.au\)](https://protectivesecurity.gov.au)).

For sovereign activities to be undertaken by our workforce, the ability to draw upon an Australian AI-skilled workforce will be fundamental. Building human capacity in AI will be critical, as demand is already outstripping supply, and the need for AI specialist skills is expected to grow significantly.

3. **Any other related matters**

N/A