Hon'ble members,

(*With acknowledgements to First Nation members and their continuing connection to our lands, waters and communities)*

With reference to the call for submissions to Select Committee on Adopting Artificial Intelligence (AI), I wish to present my arguments about changing our economic structure to adapt to threats from AI. These go beyond the general threats like losing jobs, AI-enhanced scams or increased energy utilisation by AI-devices and address other issues like climate change or increasing gap between rich and poor among others.

1. The need for drastic economic changes to adapt to AI:

History shows humanity has adapted to threats of technology many times previously and the most notable example is our switch to machine-based jobs or emotion-based jobs during industrial revolution when a lot of manual jobs were taken over. However, we can't think of any more alternatives we could adapt to, since AI has the potential to address both machine-based jobs as well as emotion-based jobs. AI doesn't have emotions, but it could be programmed to provide solutions currently addressed by emotion-based jobs.

Secondly, humans learning new skills to adapt to AI world would be slower to AI learning new skills and hence it may not make sense to train people when it could be cheaper, quicker and convenient to train machines. That would leave Australia's current policies (or any OECD country's policies) around encouraging skilled labour lacking in addressing challenges in the transition to a world post the AI-revolution we're going through.

Third, the world was not as regulated as today during previous revolutions and the empathy to look at the threats were not as prevalent as earlier changes. Regulations often followed issues witnessed rather than being preceding in advance, such as regulations on poor working conditions for industrial workers. While we can't predict future, we could prepare for the worst possibilities without missing on the benefits of AI. This implies we look at transitioning a better economic structure which not only takes advantage of AI, but also protects us from threats under our current economic systems.

2. Moving from Government-Administered benefits system to System-Administered benefits: Minimal UBI without its abuses.

While acknowledging the failures of Robo-debt systems, system administered benefits could be executed without issues if they provide standardised benefits to all rather than partial benefits to some or partial punishments to some. These partial fixes are caused by incomplete training or programming / algorithms, since all possibilities are extremely difficult to be programmed upfront accurately.

The first step in this submission addresses the threat to incomes from AI. It is based on the fact, economists have never studied the impact of printing money on inflation in a world where money is never a worry. This means an AI administered system could let everybody, irrespective of their incomes, to print some money (say 50 bucks) while recording emotional activities like baby sitting or talking to your grand parents / grand kids or any activity requiring emotional connect. There must be limits to printing money, such as only two activities per day. Such a system could be managed by a demerit-points system similar to our credit system. Details of how such a system could work are provided in www.AnEconomicExperiment.com. The same demerit point system would also encourage people to continue working or innovating, taking over money's current role. There could

also be limits on printing when certain metrics like linked company investments or total assets exceed limits considered abusive by the system.

To prevent inequalities from current economic systems to the new system, a switch to a new currency (like the Euro) will be required, even though, the rich will still have an advantage with resources during the switch. This inequality will eventually be addressed by society, as discussed in point 3. Similarly, on death, money will be transferred back to the system rather than inheritances (children can print money and so they no longer need to rely on the bank of mom and dad.

There has never been a right to print some money till now. AI makes this possible.

3. Transition from Education as a cost to Education as an income-earner

With AI learning faster than humans, humanity will need another motivation to continue their learnings with or without human interactions. I propose In addition to peoples right to print some money, the system should also encourage people to earn while they learn. An AI-powered structure could decide if the education provider is overcharging the system while the education seeker is paid a fixed price per hour on a weekly basis with some bonus on completion of course.

Education is the only tool we know of, which addresses scarcity of resources, implying it helps find alternatives to scarce resources. This also means in the long run, people with advantages in the current system will eventually be at par to everybody else because education will act as a counteraction to opportunistic nature of the resource rich people from our current system.

4. Alternatives to Taxation

An AI-powered benefit system could also match public expenses rather than levying taxes. The system could capture the average income earned by people into their unique wallet (linked to passport or Driver licence) and offer the same for public servants instead of relying on taxation to manage treasury. In the long run, government suppliers will offer competitive pricing for the best quality since money is no longer a concern.

As I conclude, I acknowledge the recommendations are radical, but so is the nature of AI. At the least, I recommend these suggestions be reviewed by academics.