

OFFICIAL



Australian Government
Department of Employment
and Workplace Relations

Inquiry into the use and governance of artificial intelligence systems by public sector entities

Submission from the Department of
Employment and Workplace Relations to the
Joint Committee of Public Accounts and
Audit

OFFICIAL

OFFICIAL

Contents

Introduction.....	3
Background.....	3
Whether the public sector has the internal capability to effectively adopt and utilise AI into the future	3
Whether there are sovereign capability issues to consider given that most AI tools currently used in Australia are sourced from overseas.....	4
Any other related matters.....	4

OFFICIAL

Inquiry into the use and governance of artificial intelligence systems by public sector entities

Introduction

Employment and Workplace Relations Portfolio acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We pay our respects to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

The Department of Employment and Workplace Relations (the department) welcomes the opportunity to make a submission to the Joint Committee of Public Accounts and Audit (the Committee) Inquiry into the Use and Governance of Artificial Intelligence Systems (AI) by Public Sector Entities.

Background

In August 2024, the department responded to questions on notice regarding the department's use of AI, arising from the Committee's Inquiry into Commonwealth Financial Statements 2022-23. The response to these questions on notice informed the Committee's deliberations, with the Committee subsequently deciding to conduct a separate specific inquiry into this issue.

On 30 September 2024, the Committee asked the department to make an additional submission as to:

- 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 also welcomed any further information that updated, or was supplementary to, the responses already provided by the department, which it acknowledged largely fell within the scope of the other terms of reference set out for this inquiry.

Whether the public sector has the internal capability to effectively adopt and utilise AI into the future

The Digital Transformation Agency (DTA) and the Department of Industry, Science and Research (DISR) have been the agency leads responsible for developing the whole of government AI policies and would be better placed to comment on the adoption and utilisation of AI in the broader public sector.

The department has taken proactive but cautious steps to explore the use of AI. The department is actively engaged and aligned with all policy guidelines from the DTA and DISR. The department is also implementing the new Policy for the Responsible use of AI in Government (the policy), which came into effect on 1 September 2024. The policy provides a unified approach for government to engage with AI confidently, safely and responsibly, and

OFFICIAL

realise its benefits. It also aims to strengthen public trust in government's use of AI by providing enhanced transparency, governance and risk assurance.

The policy also strongly recommends that agencies implement AI fundamentals training for all staff, regardless of their role. Consistent with this policy, the department is reviewing options for AI training for Senior Executives and all departmental staff.

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

The department follows strict adherence to the cyber security controls set out in Australian Signals Directorate Information Security Manual and the Protective Security Policy Framework. Regardless of the technologies, the department also adheres to the Hosting Certification Framework, ensuring hosting arrangements comply with data sovereignty requirements.

Any other related matters

The department's approach to AI focuses on the safe, structured and responsible integration of new technologies, consistent with the whole of government policy guidelines from the DTA and DISR.