Australian Government

Department of Foreign Affairs and Trade

Inquiry into Commonwealth Financial Statements 2022-23:
Use and Governance of Artificial Intelligence Systems in the Australian Public Sector

Department of Foreign Affairs and Trade

1. **For what purposes do you currently use AI in your entity, and do you have planned or likely future uses? Please summarise.**

DFAT is taking a considered approach to the adoption of AI in the department and to date does not use. AI in any DFAT business function. DFAT continues to seek opportunities to engage safely and responsibly in the use of AI. Currently, DFAT is taking part in a small user group trial of Microsoft Co-Pilot AI. DFAT does not allow staff to access any internet-based AI on work devices or for work purposes.

2. **Which legislative, regulatory and policy frameworks (including cross-Government policies) are relevant to your entity's use of AI?**

The Digital Transformation Agency's interim guidance on government use of public generative AI tools, and the Department of Industry, Science and Resource's Australia's AI Ethics Principles.

3. **What are your internal framework/policies for assessing the risks associated with the use of emerging technologies such as AI, specifically in the areas of security, privacy, ethics, bias, discrimination, transparency and accountability?**

DFAT blocks access to internet-based AI for security reasons. DFAT also has established policies and training to address bias and discrimination within the department. Australian Government security policies, including the Protective Security Policy Framework (PSPF), the Information Security Manual (ISM), and DFAT specific ICT policies safeguard information security and privacy. Initial activities for updates to incorporate AI specific controls and guidance, and development of a governance framework specific to AI use has begun. DFAT's draft AI policy seeks to address aspects such as security, privacy, ethics, bias, discrimination, transparency, accountability, and accuracy.

4. **What are the supply chain risks when using existing AI solutions or software?**

DFAT follows guidance provided by the PSPF and ISM regarding supply chain risks, noting that existing AI solutions and software supply chain risks are assessable and manageable the same way as other software supply chain risks. DFAT also considers best practice from the National Institute of Standards and Technology (NIST) and the Australian Cyber Security Centre (ACSC) on supply chain risks and AI risks.

5. **What additional controls been developed by your entity to manage:**
   a. **the broad risks associated with AI.**
   DFAT has not yet considered the broad risks associated with using AI.
   b. **the risks associated with the design and implementation of systems using AI.**
   DFAT has not yet considered designing or implementing systems using AI.
   c. **the risks associated with change management policies that arise from the use of AI.**
   DFAT has not yet considered risks associated with change management policies and the use of AI.

6. **How do you manage regular updates to AI and supporting data?**

DFAT does not yet use AI.

7. What considerations or planning do you undertake for any additional capability required to implement AI?

For AI systems to be implemented in DFAT, strong governance and rules, policy, security, safety, and ethics capability along with technical skills will be required.

8. What frameworks have you established to manage bias and discrimination in any of your systems that use AI?

DFAT does not use AI yet.

9. How do you ensure that that the use of AI meets government security and privacy requirements?

DFAT has blocked use of AI to ensure no breaches of security or privacy requirements.

10. What briefings are given to your audit and risk committees, or boards, on the use of AI?

The DFAT Executive Board has been briefed on potential options for future use of AI in DFAT.

11. How does your internal audit program consider the robustness of controls for AI to provide assurance around mitigation or risks?

As DFAT does not yet use AI, our internal audit program has not considered this.

12. As part of your system design process, how do you audit and trace the output of, and decisions made through, AI?

DFAT does not use AI yet.

13. Are the AI platforms in use at your entity:
     a. off the shelf products?
     b. customised from other products?
     c. systems developed in-house?

DFAT does not use AI yet.

Who has ownership and possession of the source code for your AI, and can you understand this code, including its capacity to learn and innovate? How?

DFAT does not use AI yet.