PDR Number: MS24-000028
Date sent to MO: 16/07/2024

Australian Government
Digital Transformation Agency

MINISTERIAL SUBMISSION

Copies to:
DTA CEO
Ms Poole
Mr Poels
Mr Gilmartin

Minister for Finance
CC: Secretary Finance

Policy for the safe and responsible use of Artificial Intelligence (AI) in Government

Minister's action due by: 2 August 2024 to allow for preparations prior to official policy launch.

Recommendation:

That you:

i. **agree** to the [Section 47C] *Policy for the safe and responsible use of AI in Government* (Attachment A), which is proposed to come in to effect from 1 September 2024, [Section 47C]

    [Section 47C]

    AGREED / NOT AGREED / PLEASE DISCUSS

ii. **agree** to proposed requirements for transparency statements (Attachment B) which will be included in a *Standard for AI transparency statements* in support of the mandatory requirement under the Policy.
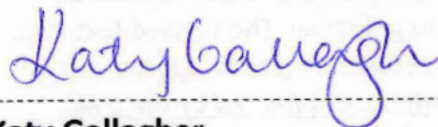
    AGREED / NOT AGREED / PLEASE DISCUSS

iii. **agree** that following consultation with the Minister for Industry and Science, the Digital Transformation Agency (DTA) will publish the Policy for the safe and responsible use of AI in Government, as well as the Pilot Commonwealth AI assurance framework and associated guidance (Attachments C and D).

    AGREED / NOT AGREED / PLEASE DISCUSS

iv. **approve** the content, and use of your e-signature on the mail merge, of the draft letter to all Ministers advising them of the introduction of the Policy and seeking their support for agency participation in the Australian Government AI assurance pilot (Attachment E).

    APPROVED / NOT APPROVED / PLEASE DISCUSS

Katy Gallagher   11/8/24

Katy Gallagher

Key Issues:

Section 34

Section 47C, Section 34

Section 47C

Section 47C Under the Section 47C Policy all non-corporate Commonwealth entities, except for the National Intelligence Community and Defence, will be required to:

(a)   designate responsibility for implementing the Policy to appropriate accountable officials. This responsibility includes notifying the DTA of new high-risk uses of AI in the relevant entity to support a consistent approach to risk mitigation.

(b)   publish an AI transparency statement.

4.   Section 47C the Policy Section 47C strongly recommends that each agency implement AI fundamentals training for all APS staff within 6 months of the Policy's effect date as well additional training as required taking into consideration staff roles and responsibilities. The DTA is developing an AI training module to support agencies.

5 Section 47C Section 34

Section 34 Section 47C

Section 47C

6.   In parallel to Secretaries Board's consideration of the Policy, the DTA has been working with stakeholders to develop guidance materials that support agencies with Policy implementation.

7.   Through consultation on the guidance for AI transparency statements, we have determined that a consistent approach to the statements across government is required to strengthen public trust in government's use of AI.

8.   To ensure consistency across government we are seeking your agreement to implement transparency requirements through a *Standard for AI transparency statements* Section 47C Section 47C which will accompany the Policy.

9.   To facilitate this, we have made a minor update to Policy wording following Secretaries Board's agreement. Section 34

Section 34 The revised text is as follows: *Agencies must make publicly available a statement outlining their approach to AI adoption and use within six months of this Policy taking effect, <u>as directed by the DTA.</u>*
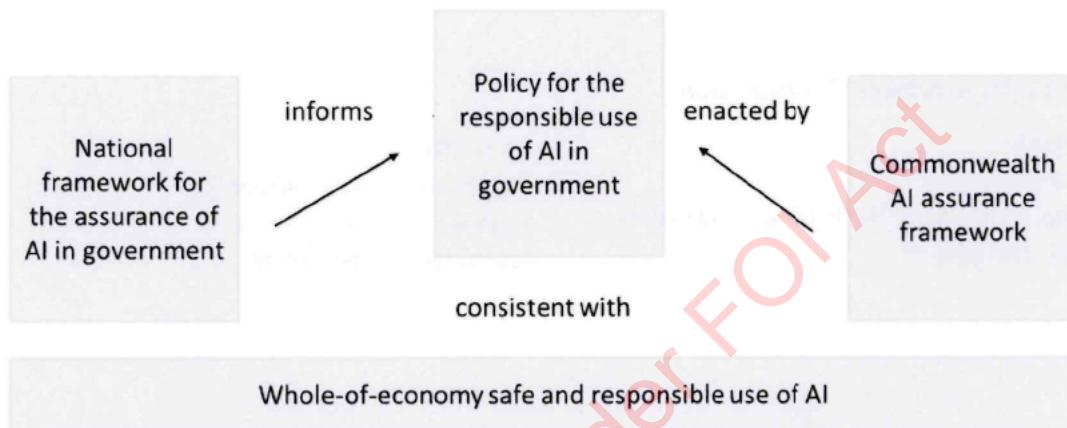
10.   We are also seeking your agreement to proposed requirements for transparency statements. The proposed requirements, which may undergo minor revision prior to publication, can be found at <u>Attachment B</u>.

11. Pending your agreement and outcomes of consultation with the Minister for Industry and Science, the DTA seeks your agreement to publish the Policy in early August 2024 ahead of formal commencement of the Policy.

Commonwealth Artificial Intelligence Assurance Framework

Section 34

13. The Framework guides Australian Government agencies through impact assessments of AI use cases against Australia's AI Ethics Principles and aligns to the recently agreed National framework for assurance of artificial intelligence in government (see Figure 1 below).

Figure 1: Australian Government AI Assurance eco-system

14. The AI in Government taskforce developed guidance to support use of the Framework in consultation with agencies across government. This consultation was also used as an opportunity to iterate and improve the Framework ahead of the pilot phase.

15. Draft versions of the Framework and Guidance are at Attachments C and D, noting that these were endorsed for pilot by the SES B2 AI Steering Committee on 31 July 2024.

16. To provide visibility and garner engagement with the Framework, we have drafted a letter to be sent to the Ministry seeking support for agency participation in the pilot (Attachment E).

17. Although the Framework is not mandated and is subject to change following the pilot, we recommend that it, along with the guidance, be published alongside the Policy. This approach is consistent with other AI initiatives including the *Interim guidance on the use of publicly available generative AI,* and the *National framework for the assurance of AI in government.*

Financial Implications:

Section 34

19. To support implementation of the Policy and additional measures, Secretaries Board agreed to support a secondee contribution model. This approach will see the DTA continuing to absorb costs of leading the work and other agencies providing support through seconded staff at their cost.

Background:

Section 34

Consultation:

21. The DTA has engaged with a broad range of stakeholders from across Government including the AI in Government Taskforce, AI Advisory Group, AI in Government Steering Committee, and the Secretaries Board.

Attachments:

<u>Att A</u> – Policy for the safe and responsible use of Artificial Intelligence (AI) in Government
<u>Att B</u> – Proposed requirements for transparency statements
<u>Att C</u> – Commonwealth AI Assurance Framework (DRAFT)
Att D – Guidance for the Commonwealth AI Assurance Framework (DRAFT)
Att E – Letter to Ministers RE Commonwealth AI assurance framework pilot

Approved for electronic transmission

Lucy Poole
General Manager
Strategy, Planning & Performance Division
Section 22

Contact Officer:	Lauren Mills
Job Title/Level:	Branch Manager, Strategy & Prioritisation
Telephone:	Section 22
PDR Number	MS24-000028

Senator the Hon Katy Gallagher

Minister for Finance
Minister for Women
Minister for the Public Service
Senator for the Australian Capital Territory

REF: MS24-000028

«Prefix» «First_Name» «Surname» «Surname»
«Ministerial_Title»
Parliament House
Canberra ACT 2600

Dear «Salutation»

As part of the Budget 2024-25 measure *Supporting Safe and Responsible AI*, the Digital Transformation Agency (DTA) will soon be piloting the Commonwealth AI Assurance Framework (the Framework).

The Framework will help position government as an exemplar in its use of AI. Accompanied by the forthcoming *Policy for the responsible use of AI in government*, it will support agencies to take a more consistent approach to assessing and mitigating the risks of AI use across the Australian Public Service.

Extensive consultation has been key in the development of the Framework. I would like to acknowledge the invaluable contributions from your agencies which have enabled the DTA and Department of Industry, Science and Resources to posture government to effectively manage risk and innovate with AI.

I am seeking your support in championing participation by agencies within your portfolio in the Framework pilot. This will ensure our approach to evolving and evaluating the Framework remains collaborative, inclusive and fit for purpose.

The pilot version of the Framework, including comprehensive guidance, will be made available to all agencies. If it is not possible for agencies within your portfolio to participate in the pilot formally, they may still wish to trial its use in their own context.

Yours sincerely

Katy Gallagher