

31 July 2019

Standards Australia

T +61 2 9223 5744 F +61 2 9232 7174
E info@governanceinstitute.com.au
Level 10, 5 Hunter Street, Sydney NSW 2000
GPO Box 1594, Sydney NSW 2001
W governanceinstitute.com.au

By email: SEM@standards.org.au

Dear Sir/Madam

Developing Standards for Artificial Intelligence: Hearing Australia's Voice

Governance Institute of Australia (Governance Institute) is the only independent professional association with a sole focus on whole-of-organisation governance. Our education, support and networking opportunities for directors, company secretaries, governance professionals and risk managers are unrivalled.

Our members have primary responsibility to develop and implement governance and risk frameworks in public listed, unlisted and private companies, as well as not-for-profit organisations and the public sector.

Governance Institute is a member of the Risk Committee of Standards Australia.

Governance Institute welcomes the opportunity to comment on the Discussion Paper *Developing Standards for Artificial Intelligence: Hearing Australia's Voice* (Discussion Paper). We have confined our submission to areas of particular concern or interest to our members.

Q1. Where do you see the greatest examples, needs and opportunities for the adoption of AI?

As consumers, we interact with AI regularly. It is now commonplace to use AI to augment human functions such as travel bookings, car parking, switching on lights using an assistant or choosing a movie to watch on television. However, in our workplaces we often fill out paper forms, complete manual processes and do repetitive tasks. The greatest needs and opportunities for the adoption of AI are within Australian businesses, to become more agile, efficient and resilient. Our members also consider AI is likely to play a major role in healthcare, particularly diagnostics and may well move healthcare from dealing with the impacts of particular health conditions to preventing their occurrence.

Q2. How could Australians use or apply AI now and in the future? (for example, at home and at work).

AI is not a future opportunity, it is here today. AI in the form of robotic process automation is currently being used to automate mundane tasks while improving the consistency of outcomes. AI in the form of machine learning is improving decision-making, unlocking value hidden in data and finding patterns too complex for humans to detect.

AI in the form of cognitive services is currently being used to:

- surface recommendations for informed and efficient decision-making
- convert speech-to-text and text-to-speech with language translation
- evaluate sentiment
- recognise, identify and index image and video content, and
- optimise search results across billions of data sets almost instantaneously

AI in the form of chatbots is being used to reduce costs and provide improved services to customers. AI works together with other technologies including cloud computing, social computing and mobile computing to deliver significant benefits and opportunities for virtually all organisations.

For more than 50 years science fiction has promised Australians would, in the future, have personal robots, flying cars, hover boards and teleportation. The personal robot has now arrived in the form of digital assistants such as; Alexa, Google, Siri and Cortana. AI, if there is appropriate consent, could support personal health activities, assist financial decision making and help plan a multitude of activities. With the expected proliferation of IoT devices and 5G networks in a hyper-connected world, AI is set to change daily life.

Q3. How can Australia best lead on AI and what do you consider Australia's competitive advantage to be?

This is a challenge for Australia – our members have concerns that Australia may already be behind other countries. To be a leader in AI initiatives globally, we would need:

- free, ubiquitous, fast internet connectivity
- incentives for business to adopt AI technology
- an appropriately skilled workforce
- significant investment by government in developing AI technology, and
- regulation to ensure responsible and ethical AI

Our members consider that the lack of free, ubiquitous, fast internet connectivity is Australia's biggest disadvantage in relation to AI. Where perhaps Australia might have an advantage is in building community resilience and enabling communities to prepare for events such as fires or floods using data and AI. Australia has a strong track record of building community resilience where other cultures and countries rely more on government intervention. If considered and applied well, this could represent a significant opportunity for Australia.

Q4. What extent, if at all, should standards play in providing a practical solution for the implementation of AI? What do you think the anticipated benefits and costs will be?

Standards are an important aspect of ensuring the effective implementation of AI in Australia. Organisations in all sectors can use compliance with standards to signal they have appropriate practices in place regarding the development and use of AI to potential users, customers and other stakeholders. Standards also provide a framework for organisations considering adopting AI technologies to use a best-practice approach to minimise costs and risks. An area not identified in the Consultation Paper is how to address the question of ensuring compliance with any standards. There are also some aspects of AI where legislation may be needed to avoid or prevent significant misuse of AI.

Q5. If standards are relevant, what should they focus on?

- A) a national focus based on Australian views (ie Australian Standards)**
- B) an international focus where Australians provide input through a voice and a vote (ie ISO/IEC standards)**
- C) any other approach**

There may be some areas where a national approach is appropriate. However, in areas where Australia has adopted an overseas position, the overseas approach is the appropriate one. For example, Australia has adopted the OECD Global Principles on AI.

Q6. What do you think the focus of these standards should be?

- A) Technical (interoperability, common terminology, security, etc)**
- B) Management systems (assurance, safety, competency etc)**
- C) Governance (oversight, accountability, etc)**

AI is transforming businesses and enhancing the lives of Australians today and will continue to do so at an exponential rate. Given the nature of our organisation our members consider that the principal focus should be governance.

Q7. Does your organisation currently apply any de facto 'standards' particular to your industry or sector?

One area where this question may be relevant is in relation to the leading Australian 'standard' on governance, the Corporate Governance Principles and Recommendations issued by the ASX Corporate Governance Council, of which Governance Institute is a founding member. This document is the leading Australian 'standard' or statement on governance. Directed at listed companies, the Principles and Recommendations use the 'if not, why not' approach. This means listed entities are not required to adopt the recommendations but the ASX Listing Rules require them to explain why they have not adopted the recommended approach. The Principles and Recommendations have become the 'de facto' standard for Australian corporate governance for many unlisted and private companies, charities and not-for-profit organisations.

Q8. What are the consequences of no action in regards to AI standardisation?

Our members consider the potential consequences of no action in regards to AI standardisation include:

- failure to compete in a global marketplace
- poor investment decisions relating to the procurement of AI,
- malign implementation of AI from which it may be difficult to retreat, and
- slow adoption of AI in Australia which disadvantages Australia globally.

Q9. Do you have any further comments?

In Australia, there are many organisations including government currently considering a range of rights, ethical principles and regulation. These include; the Australian Human Rights Commission, the Department of Industry, Innovation and Science, CSIRO, Data61 and the Office of the Information Privacy Commissioner, as well as many private organisations who have provided submissions to this Discussion Paper and similar recent consultations.¹ It would be helpful if a group of these entities were established to meet periodically and exchange ideas about the future of AI governance, systems, standards, guidance, regulation and legislation. Governance Institute would be happy to be involved in any group.

If you have any questions concerning this submission or would like to discuss any aspect please don't hesitate to contact our General Manager, Policy and Advocacy, Catherine Maxwell.

Yours sincerely



Megan Motto
CEO

¹ The Australian Human Rights Commissions consultation on AI Governance and Leadership and the Department of Industry, Innovation and Science consultation on *AI: Australia's Ethical Framework*.