Committee Secretary
Joint Committee of Public Accounts and Audit
PO Box 6021
Parliament House
Canberra ACT 2600

Re: Inquiry into the use and governance of artificial intelligence systems by public sector entities - Terms of Reference

Dear Committee Secretary,

Good Things Australia thanks the Joint Committee of Public Accounts and Audit for the opportunity to provide feedback on the terms of reference for the inquiry into the use and governance of artificial intelligence systems by public sector entities.

Key recommendations

Overall, we recommend that:

1. The Public Sector assesses and identifies gaps in digital skills and digital literacy levels across its workforce.
2. The Public Sector introduces digital skills, digital literacy and AI literacy training to complement the adoption of AI technologies.
3. The Public Sector establishes workforce specific regulations, policies and user protections around the implementation and use of AI technologies.

Good Things Australia's 'AI for Good' research

Over the course of 2024, Good Things Australia has been exploring the intersection of AI literacy and digital inclusion through our Digital Sisters program. We have worked collaboratively with Microsoft, Telstra, academics and experts in AI, along with on the ground experts in community organisations across the country to build our understanding of AI literacy and how it fits within broader digital literacy programs.

This research was conducted through surveys to Good Things' network of community partners and consultations involving over 56 organisations and individuals from various sectors. Bringing together representatives from these varying stakeholders, our insights were further refined during a cross-sector roundtable held in May 2024. This was followed by the publication of the research report 'Digital Sisters AI for Good: Understanding AI literacy and digital inclusion' in August.

We believe that the research insights, that are representative of a broad range of sectors, will be useful in informing the inquiry into the use and governance of artificial intelligence systems by public sector entities.

Digital exclusion, digital literacy and AI literacy in Australia

We live in a rapidly changing world, where the ability to access, afford, and effectively use digital services is not a luxury, it's essential. Digital inclusion is a requirement for full and equal participation in contemporary life to enable people to access essential government, education, social and health services. However, data from the Australia Digital Inclusion Index shows that 1 in 4 Australians are digitally excluded[1].

Digital skills are also becoming increasingly entrenched in every industry across the Australian economy. Digital skills are an enabler of employment, either as a result of job requirements or seeking relevant job opportunities. The Productivity Commission reports that 87% of jobs require some level of digital skills[2] and with the widespread adoption of Generative AI, the result is an ever-changing and fast paced digital world where even those who are digitally included struggle to keep up.

Good Things consumer research also highlights this, with more than half (59%) of Australians not feeling comfortable to keep up with changes in technology and the internet[3]. Furthermore, 11% of Australians are concerned they won't have the skills to keep their job due to their ability to keep up with technology.[4]

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[1] McCosker, T.J. et al., 2023, Measuring Australia's Digital Divide: Australian Digital Inclusion Index: 2023. Melbourne: ARC Centre of Excellence for Automated Decision-Making and Society, RMIT University, Swinburne University of Technology, and Telstra. DOI: 10.25916/528s-ny91

[2] Productivity Commission, 5-year Productivity inquiry: Australia's data and digital dividend, Inquiry Interim Report, Canberra, August, 2022

[3] Good Things Australia, Australian attitudes to getting online, October 2024

[4] ibid

There are however significant economic benefits linked to the training and upskilling of digital skills for workers. Our report into [Economic Benefit of Overcoming Digital Exclusion](#), conservatively estimates show that by providing digital skills support to 2.5 million highly excluded individuals, $65M/year could become available through the upskilling of workers[5]. Additionally, another $80.1m/year is estimated in economic value through the training of highly digitally excluded people, who would move from unemployed to employed, or take up volunteering positions.[6]

Whilst AI has existed for decades and is already integrated into the technology we use daily, the explosion of Generative AI into the consumer market has led to a new requirement for people to have the skills and literacy to use and engage with AI technologies. Good Things consumer research shows that one third (32%) of Australians struggle using AI (Artificial Intelligence), with one in three (33%) worried what the changes in AI will mean for them.[7]

The 'Digital Sisters: AI for Good' research showed that AI literacy is emerging as being critical for digital inclusion, with the ability to understand what AI is, how it works, how it can be used safely and ethically, and having the skills to discern AI generated information, forming what it means to be 'AI literate'.[8] This research also identified a shared uncertainty about what the continued AI adoption across society will mean for digital inclusion.

AI in the private, public and social impact sectors

During the 'AI for Good' research consultation we spoke with a wide range of stakeholders across multiple sectors to understand their perspectives and experiences in relation to AI adoption both positive and negative. Whether the use of these tools is authorised or not, we heard across most sectors that workers are already regularly using Generative AI to support their work. This supports external national statistics that show on an individual level, 84% of Australian workers now use Generative AI in the workplace, a figure above the global average.[9]

The findings show that using AI in the workplace has significant benefits for efficiency and productivity, but also can improve accessibility and inclusion, enhance interaction and participation, and support the personalisation of service delivery and education. A number of key risks were identified by all stakeholders in association with AI use, especially in

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[5] Good Things Australia & Nicky Hutley, Economic Benefits of Digital Inclusion, October 2024
[6] ibid
[7] Good Things Australia, Australian attitudes to getting online, October 2024
[8] Good Things Australia, Digital Sisters: AI for Good report, August 2024
[9] Microsoft and LinkedIn, 2024 Work Trend Index Annual Report, May 2024

relation to automated decision making and the use of potentially historical and biased data. These concerns were raised in light of the potential for the use of AI negatively impacting already vulnerable communities in particular those on low income or culturally diverse people. All of the people we spoke to identified the safety of AI as a major risk. The top concerns about AI safety related to how it will impact online safety and further complicate already existing scams or fraudulent behaviours.

Another major risk raised by consultation participants focused on the premature adoption of AI technologies without an understanding of how to use it. This was raised in the context of organisations rushing to use it to boost productivity and save on resources before having an understanding of how AI works, what data is used for and may risk putting sensitive data into using public AI tools. A lack of governance within organisations and companies who choose to develop or use AI technologies was also highlighted as a risk.

Given the diversity of roles across the public sector, not all workers are required to use digital technology in their jobs or be highly digitally literate. Considering the benefits and risks posed above, it is recommended that the public sector assess digital skills, literacy and confidence levels across its workforce, and ensure support and training is given on both existing and new technologies, prior to the wider adoption of AI technologies.

Recommendation 1:
- **The Public Sector assesses and identifies gaps in digital skills and digital literacy levels across its workforce.**

AI literacy, digital inclusion and the workforce

The speed at which new AI tools and technologies are increasingly being developed and deployed means that it is difficult to predict how exactly AI will impact society in the near and distant years. Yet, what we heard in our research is that AI is a transformative technology that will shape our world and it is up to us to decide whether this is for good or bad. Furthermore, our research was focused on exploring the intersection of AI literacy and Digital Inclusion and for those outside of the AI world, what concerns or hopes they have in relation to how AI will impact their ability to gain or maintain employment.

Ultimately, we heard that AI has the potential to make learning digital skills and using technology easier for some, however it will not solve digital exclusion, and could make it worse if we don't address the basics of access and affordability. Our findings also

resoundingly showed that a person needs to have basic digital and literacy skills to use AI powered tools and devices, although it is evident that AI tools can assist people to overcome some barriers to use technology. It is critical to recognise that even individuals who are digitally literate and confident to use technology need support to learn how to use and engage with AI. For the migrant and refugee women we spoke to, they were worried about how the continued and broad adoption of AI would impact their ability to find and maintain employment. This was not solely raised with respect to AI replacing people, but also as a result of more jobs requiring digital and AI skills leaving those who do not possess the skills at a disadvantage when job seeking.

Through our research and experience delivering digital inclusion programs across Australia, we believe that it is vital to ensure as AI is adopted widely by individuals, businesses and the public sector that it is paired with free and affordable access to AI tools and AI literacy education. AI literacy education is a collective responsibility rather than an individual one. The public sector has a responsibility to ensure that its workforce is equipped with the skills to access, engage with and understand AI. This requires dedicated support and training, drawing upon examples from community-based approaches that have been used to enhance the digital and AI literacy of individuals.

Recommendation 2:
- **The Public Sector considers AI literacy and digital skills training for employees as a priority to complement the adoption of AI technologies.**

Regulation and policy

Though the 'AI for Good' research was not focused on AI regulation and policy, a range of cross-sector views were gathered on recommended approaches and considerations for the implementation of AI rules and legislation. Most stakeholders agreed that the biggest challenge lies in the nature of AI and its fast paced, broad and global environment where tools and technologies are ever-changing, meaning regulations are at risk of becoming quickly outdated. Despite these challenges, the resounding consensus was that there needed to be some form of legal framework introduced to support safe and responsible AI, though opinions on how this could be achieved differed. Opinions particularly diverged when it came to the approach that would best fit within an Australian context with some suggesting that voluntary standards would not be sufficient to ensure user protections whilst other respondents agreed that regulation is only necessary in high risk situations. Some individuals also suggested that regulation was best placed within existing law, rather

than the creation of AI specific rules. However overall, there was consistency in responses regarding a priority in legislation needing to be given to user protections, including their privacy and safety when using or being exposed to AI.

Recommendation 3:
- **The Public Sector establishes workforce specific regulations, policies and user protections around the implementation and use of AI technologies.**

Further information and contact details

Good Things Australia is a future-focused digital inclusion leader, advocating, partnering, educating and innovating to ensure no one is left behind in the digital world. Good Things develops and delivers a range of innovative digital inclusion programs to support those most in need, collaborating with social impact organisations, industry and government on initiatives to close the digital divide.

Good Things Australia thanks the Committee for the opportunity to provide this submission and welcomes the opportunity to meet with you to discuss our recommendations. Please contact:

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Attachments

The Good Things Australia research reports referenced in this submission are attached or can be downloaded from the Good Things Australia website:

Digital Sisters AI for Good: Understanding AI Literacy and Digital Inclusion Report by Good Things Australia

Economic Benefits of Overcoming Digital Exclusion Report commissioned by Good Things Australia and authored by independent economist Nicky Hutley

[Australian Attitudes to Getting Online](#) Consumer research commissioned by Good Things Australia for Get Online Week 2024