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Submission – supporting responsible AI: discussion paper

Australia Post appreciates the opportunity to provide feedback on the Supporting Responsible AI discussion paper (the paper), to help guide the development of Artificial Intelligence (AI) and Automated Decision Making (ADM) frameworks in Australia.

Australia Post has and continues to invest in and make use of AI and ADM technology. We use these technologies to improve the accuracy of delivery predictions and cross-network volume forecasts, extract addresses from parcels, and optimise last-mile delivery performance. This technology has helped us improve the way we operate by lifting productivity and efficiency, minimising errors, and by supporting decision-making with data. We consider that these technologies will generate significant opportunities for many sectors, creating valuable business-to-consumer (B2C) and business-to-business (B2B) solutions.

As AI becomes more integrated into society, there is a growing emphasis on developing explainable and governed AI systems able to provide transparent explanations for their decisions. Developing a responsible AI framework based on principles that ensure AI addresses biases, maintains privacy and security, and is used ethically, will help to create an environment of trust.

As identified in the paper, there are already several structures that can be leveraged in the development of an Australian AI framework, including the OECD principles, as well as the NSW Government's Ethical Principles for AI.

A flexible framework will allow the Australian economy to reap the benefits of AI and ADM technologies and solutions, while providing certainty and comfort for individual consumers.

Principles based approach

Developing an AI framework that takes a principles-based approach to the responsible and ethical development, deployment and use of AI will help build public trust and confidence in the community. The framework should establish a set of ethical principles; create clear roles and responsibilities for governments and agencies; develop guidelines for governance; and emphasise the need for transparency and explainability in AI systems as well as ensuring protection of the public interest.

Focusing framework development, whether voluntary or mandated, on clearly defined AI principles will help provide confidence in this technology and support uptake by businesses and consumers. A multidisciplinary approach centred on individual empowerment will help create an agile and dynamic approach to AI governance that is inclusive of both innovation and consumer protection.

AI and generative AI has recently entered the public arena, with open-source releases and media raising the profiles of these technologies. There is an opportunity to educate and empower citizens in understanding the use of AI technologies, so they are better able to interact with businesses who utilise these technologies with confidence.

One way to achieve this an online certificate, present on businesses websites. This approach to consumer confidence has been in place for decades, with certifications and ticks of approval on physical products, and adopted in digital solutions such as the Consumer Data Right (**CDR**). An AI

certificate could demonstrate business compliance with AI ethics and principles which are established by the government.[1] Plain English explanations of how AI is used and what data is leveraged, including whether consumer's personal information is utilised in these systems could help improve trust. The certificate, or equivalent company policy on AI could also provide information for how consumers can ask questions or raise objections with the aim of providing transparency and control of their data's use – in much the same way CDR is targeted at individual consumer control.

Trust can be developed by establishing accountability through the AI actor chain. Any AI framework developed by the government should also consider accountability between AI developers, owners, users, and other stakeholders during any adverse incidents to ensure duty of care, safety, and responsibility. The current absence of guidance means there are significant risk management issues which result in a reduced appetite for investment and innovation in AI/ADM.

Trust can also be developed through recognising risks such as understanding algorithmic limitations with some approaches (e.g., deep learning) and making sure AI is explainable, controlled, and transparent. Transparency, such as prospective guardrails, are important for engendering trust and the uptake of these technologies. A lack of transparency and understanding can lead to unrealistic consumer expectations of performance, reduced trust, and substantial risk of error post deployment.

Guidance and frameworks

We believe there is opportunity to establish clear guidance and regulations with checks and balances pre-, and post-deployment to ensure AI systems are accurate, explainable, free of bias and protect IP. Without clear guidance, many complex AI and ADM algorithms are being deployed without enough quality assurance. Thus, there is a need for clear standards to ensure a mandated level of quality in AI and ADM products (which may include oversight and testing), and to also protect the consumer. Whilst this level of rigour would not be required for all instances of AI and AMD, it should be considered for those with substantial risk. For example, in the medical industry a medical diagnostic AI requires at least 95% accuracy (e.g., at least 95% specificity and sensitivity) to be of acceptable quality, and there is a clear clinical trials process to rigorously prove out the accuracy.

Use cases of Machine Learning (ML), as a major subset of AI, vary significantly. Australia Post uses machine learning in our parcel facilities and the implications for freight and logistics may be very different to those of (for example) the social media industry. Regulation that deals with machine learning will need to understand the very different contexts so as not to create additional regulatory burdens unintentionally. It is also important to have clear definitions of AI, ADM and ML that are based on the diversity of use-cases and applications, to ensure that negative connotations do not unduly influence how policy may be set.

Risk-based frameworks that introduce principles and standards on AI in the Australian context can help ensure organisations can tailor responses to the specific use cases faced by the application of AI within their business. Overarching regulation for AI would risk overlapping or contradicting existing regulation (as noted in the paper, there are already economy and industry specific Acts and regulations that can apply to AI). For any new regulation that the government does introduce, there is a need to ensure it can keep pace with technological change and deal with the emerging risks presented by AI and ADM. We support increased use and support of the technology to enhance citizen benefits and create efficient economic outcomes in freight and logistics that also support communities and job creation.

Furthermore, in the context of such a broad scope of use the current rate of change in technology is too fast for the regulatory environment to maintain its relevance and oversight of AI and ADM led change. Australia Post suggests that regulators and governments create frameworks for constant

[1] Possible existing structures to leverage include: the NSW Government Mandatory Ethical Principles for AI or Essential 8 for Security (contextualised for AI).

dialogue and change with industry over the use of AI and ADM technology. We have previously suggested that the Government consider creating an Australian ADM Council to include regulators, governments (of all levels), key industry partners (such as Australia Post), ethics bodies and research stakeholders to advise the Government on change in a timely manner.

We would also encourage the utilisation of expertise at the Australian Signals Directorate (ASD), that has developed an Information Security Manual (ISM). The ASD has a structured risk-based model which could be leveraged with AI governance models, similarly the ISM can be updated to include AI.

Australia Post believes that with the automation of decisions comes great opportunity for both economic and social value to be created. However, without adequate oversight, vulnerable groups may be impacted adversely. Guidelines to ensure adequate use of humans in decision making loops, will be essential to create positive outcomes for all.

We also believe there needs to be clear governance and arbitration systems to question and challenge AI and ADM decision making and the right investment in public ethics institutions to help guide those decisions. For citizens, we believe there needs to be a clear understanding of when AI and ADM are being used (for example labelling). It should also be clear where AI systems are procured as software on an application as part of the procurement guidelines.

AI systems should be assessed at multiple points in the development lifecycle including ideation/inception, pre-production deployment and live/production deployment, for possible harms and biases. Information inputs should also be assessed for risk and compliance with other regulations, laws, and company policies.

Businesses could also allow for voluntary assessments or audits which could be undertaken by the Australian ADM Council recommended above, or by a cross-departmental group of experts. Other types of captured information could include ongoing monitoring of AI components and systems for performance, unintended actions, and drift, which should be made accessible to the Council or cross-departmental group.

We welcome the opportunity to discuss this submission in more detail. Please reach out to Kat Burela, kat.burela@auspost.com.au if you have any questions.

Regards

[Signed for digital]

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