

## Artificial Intelligence Impact on the Australian Government Public Sector

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**Abstract :** AI has helped government, businesses and industries transform the way they do things. AI is used in automating tasks to improve decision-making and efficiency. AI is embedded in sensors and used in automation to help save time and eliminate human errors in repetitive tasks. Today, we saw the growth in AI using the collection of vast amounts of data to forecast with greater accuracy, inform decision-making, adapt to changing market conditions and offer more personalised service based on consumer habits and preferences. Government around the world share the opportunity to leverage these disruptive technologies to improve productivity while reducing costs. In addition, these intelligent solutions can also help streamline government processes to deliver more seamless and intuitive user experiences for employees and citizens. This is a critical challenge for NSW Government as we are unable to determine the risk that is brought by the unprecedented pace of adoption of AI solutions in government. Government agencies must ensure that their use of AI complies with relevant laws and regulatory requirements, including those related to data privacy and security. Furthermore, there will always be ethical concerns surrounding the use of AI, such as the potential for bias, intellectual property rights and its impact on job security. Within NSW's public sector, agencies are already testing AI for crowd control, infrastructure management, fraud compliance, public safety, transport, and police surveillance. Citizens are also attracted to the ease of use and accessibility of AI solutions without requiring specialised technical skills. This increased accessibility also comes with balancing a higher risk and exposure to the health and safety of citizens. On the other side, public agencies struggle with keeping up with this pace while minimising risks, but the low entry cost and open-source nature of generative AI led to a rapid increase in the development of AI powered apps organically - "There is an AI for That" in Government. Other challenges include the fact that there appeared to be no legislative provisions that expressly authorise the NSW Government to use an AI to make decision. On the global stage, there were too many actors in the regulatory space, and a sovereign response is needed to minimise multiplicity and regulatory burden. Therefore, traditional corporate risk and governance framework and regulation and legislation frameworks will need to be evaluated for AI unique challenges due to their rapidly evolving nature, ethical considerations, and heightened regulatory scrutiny impacting the safety of consumers and increased risks for Government. Creating an effective, efficient NSW Government's governance regime, adapted to the range of different approaches to the applications of AI, is not a mere matter of overcoming technical challenges. Technologies have a wide range of social effects on our surroundings and behaviours. There is compelling evidence to show that Australia's sustained social and economic advancement depends on AI's ability to spur economic growth, boost productivity, and address a wide range of societal and political issues. AI may also inflict significant damage. If such harm is not addressed, the public's confidence in this kind of innovation will be weakened. This paper suggests several AI regulatory approaches for consideration that is forward-looking and agile while simultaneously fostering innovation and human rights. The anticipated outcome is to ensure that NSW Government matches the rising levels of innovation in AI technologies with the appropriate and balanced innovation in AI governance.

**Keywords :** artificial intelligence, machine learning, rules, governance, government

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