TECH POLICY DESIGN INSTITUTE

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Email: ai.joint@aph.gov.au
Mail: Committee Secretary
Joint Select Committee on Artificial Intelligence
PO Box 6100
Parliament House
Canberra ACT 2600

Submission to the Joint Select Committee on Artificial Intelligence

Dear Committee Members,

The Tech Policy Design Institute (TPDi) welcomes the opportunity to contribute to the Committee's inquiry into artificial intelligence (AI). TPDi is an independent, non-partisan think tank dedicated to shaping technology for the benefit of humanity. We commend the Committee for undertaking this inquiry at a pivotal moment in Australia's AI policy journey.

This submission offers the Committee 2 related propositions:

1. **AI agency should be the goal of Australia's AI policy.** AI agency is a nation's power to shape its AI future: its capacity to steer outcomes, promote national interests and capture value in a globally connected technological system. TPDi's AI Agency Tool and *Australia's 2025 AI Agency Assessment* provide an organising framework and evidence base for all the Committee's terms of reference, across 103 AI capabilities from infrastructure, data and models, to innovation, adoption, skills, and governance. Find the research and dashboard at techpolicy.au/aiagency.

2. **Trust is a strategic enabler of AI agency.** Australia cannot fully realise the economic, social and public benefits of AI unless citizens, workers, and businesses trust how AI is developed, deployed and governed. TPDi's national trust research demonstrates that Australians are not rejecting AI but seeking confidence that it will be used responsibly: 70% say they would be more comfortable with AI adoption if they knew strong rules were in place. We therefore encourage the Committee to view sensible, well-designed regulation as an enabler of the social license needed to unlock adoption. Find the national survey and focus group research at techpolicy.au/earning-trust.

We offer these resources to the Committee as a practical contribution that may assist in interpreting the issues raised by the inquiry's terms of reference.

TPDi believes that nothing about technology is inevitable. To shape the future we want, individuals, organisations, communities and governments must be proactive in shaping technology.

Sincerely,

Johanna Weaver
Co-Founder
Tech Policy Design Institute

Zoe Jay Hawkins
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TPDi's AI AGENCY TOOL

TPDi's AI Agency Tool is the first comprehensive independent methodology that both defines and evaluates a nation's AI capabilities and strategic position. The tool was developed through an extensive research process involving international collaboration, including with the Oxford Internet Institute, and **national consultation with more than 250 experts across Australia's AI ecosystem** through expert roundtables, surveys and peer review processes.

Unlike most AI policy frameworks, the tool is designed not only to describe AI capabilities but also to assess them and prioritise next steps. It provides a structured methodology for evaluating capability maturity, sovereignty and agency across the AI ecosystem, enabling policymakers to identify where Australia should build capability, maintain advantage, reduce dependencies or leverage existing strengths. We have also mapped our assessment against the government's 2025 National AI Plan. Find TPDi's AI Agency Toolkit (techpolicy.au/aiagency) and dashboard (ai.techpolicy.au).

1. Australia's goal should be AI agency

The Committee's terms of reference raise a fundamental question: how can Australia shape AI in its national interests? Questions relating to economic competitiveness and productivity (a), the distribution of benefits across communities and regions (b), sovereign capability (e), national security (l) and strategic resilience (m) are concerned not only with how Australia adopts AI, but more strategic considerations of how Australia shapes its development and captures value from this transformation.

TPDi developed the measurable concept of AI agency to address this question.

AI agency is a nation's power to shape its AI future: its capacity to steer outcomes, protect and promote national interests, and capture value in a globally connected technological system.

Public discussion often focuses on 'AI sovereignty'. While useful and relevant, sovereignty is often framed as a binary choice between dependence and self-sufficiency. In practice, Australia operates within a highly interconnected technological system, and complete self-reliance is neither realistic or necessarily desirable across all capabilities.

TPDi's AI Agency Tool expands the binary of AI sovereignty into the AI sovereignty spectrum:

- **international access** to world-leading capabilities and technologies
- **sovereign control** where domestic ownership or authority is required
- **resilient choice** through diversified and reliable access to critical capabilities
- **export leverage** where Australian capabilities are valuable to others, creating influence and strategic advantage.

The AI Agency Tool applies this framework to assess Australia's current AI maturity, sovereignty and agency over 103 AI capabilities.

No country should seek to lead in all 103 capabilities – it is about strategic prioritisation. AI agency provides a policy goal and practical framework to support the Committee's deliberations in determining where Australia should build capability, where risks of dependency warrant intervention and where existing strengths can be leveraged to create enduring national advantage. The AI Agency Tool offers a practical lens through which to consider these questions.

2. Building AI agency requires capability across the AI ecosystem

If AI agency is the strategic objective, then the AI typology helps organise the pursuit of this goal. The tool identifies 103 capabilities across 6 interconnected layers.

The Committee's terms of reference can be understood through this capability framework:

1. **Infrastructure and Resources** – 28 capabilities – relevant to the Environment and Communications References Committee's AI and data centres inquiry
2. **Data Assets and Lifecycle Management** – 23 capabilities – relevant to (f) on data sovereignty and domain specific data sets, as well as data policy settings including copyright (j)
3. **Models and Applications** – 17 capabilities – relevant to (c) on AI and robotics innovations and (f) on domain specific AI models
4. **Innovation and Adoption** – 13 capabilities – relevant to (b) inclusive adoption, (d) private sector and (h) public sector adoption, and (e) enabling research and development
5. **Skills** – 12 capabilities – relevant to (e) on attracting and retaining talent and (g) on workforce
6. **Governance** – 10 capabilities – relevant to (i) adequacy of existing laws, including as it related to (k) risks and harms, (l) national and cyber security, and (m) national capacity to respond to risk.

This enables policymakers to move beyond vague discussions of 'AI' and instead identify specific capabilities, understand how different parts of the ecosystem depend on one another, and determine where Australia has leverage.

The tool provides common language, definitions, examples and indicators for all 103 capabilities, offering practical context for understanding the issues before the Committee.

3. Australia's current AI agency

We applied the tool to produce *Australia's 2025 AI Agency Assessment*. We then mapped the Australian government's 2025 National AI Plan against the assessment. This provides an evidence base that may assist the Committee in understanding Australia's position.

The assessment examined 103 AI capabilities and found that **Australia possesses predominantly emerging AI maturity, but comparatively strong sovereignty and agency across many capabilities.** Australia was assessed as having 51 emerging capabilities, 33 established capabilities and 11 advanced capabilities. When sovereignty and global scarcity are taken into account, the assessment found Australia demonstrates high agency across the ecosystem.

Importantly, the assessment demonstrates that Australia's strengths and opportunities are not distributed evenly across the AI ecosystem. Some areas demonstrate strong existing capability and strategic advantage, while others remain more dependent on international ecosystems. Understanding these distinctions is critical when considering how future investments, including investments in AI infrastructure and data centres, can best support Australia's long-term national interests.

The assessment provides the Committee with a structured evidence base for considering where investments may strengthen national capability, where collaboration is valuable, and where policy intervention is most likely to deliver enduring public benefit.

TPDi's EARNING TRUST REPORT

4. Trust as a strategic enabler of AI agency

Trust allows individuals to engage with AI where it adds value and to opt out when they determine it does not. Trust is the basis of the social licence that businesses, government and organisations depend on to leverage these technologies in innovative and impactful ways. This is why TPDi's AI Agency Tool treats trust, discerning adoption, AI literacy and democratic legitimacy as distinct AI capabilities in their own right (capabilities 4.3.1, 4.3.2, 5.4 and 6.4).

It is well documented that Australians have low trust in AI, so TPDi set out to answer the question: can well-designed regulation increase public trust in AI and, with it, adoption?

TPDi commissioned a nationally representative survey of Australians and focus groups to examine public attitudes toward AI, trust and the role of regulation. The findings explore Australians' trust in AI through 4 sectoral case studies and present 4 Australian 'AI personas'. See a summary of the findings on page 5 of this submission and in detail at techpolicy.au/earning-trust.

The public mandate for action is overwhelming. Australians want AI regulation and that regulation would build trust. Most Australians (85%) support government action on AI regulation, as opposed to leaving industry to self-regulate. Of those surveyed, 70% say that government AI regulation would also make them more comfortable with AI use in Australian society. Only 2% oppose any new regulation. This is not a marginal or contested finding. It is a decisive public mandate to act.

WHAT THE EVIDENCE SHOWS	WHAT GOVERNMENT SHOULD DO
Australians are asking for AI regulation The mandate is decisive.	**Act now.** Treat AI regulation as an enabler of trust and adoption. Progress priority reforms and fund regulators to enforce existing law.
Support is informed, not fearful. Knowledge and understanding drives demand for AI regulation.	**Build AI literacy.** Equip Australians with practical understanding of AI and its risks.
Three issues dominate. Privacy. Jobs. Misinformation.	**Start where it counts.** Sequence reforms to address priority harms first and build early trust (privacy, workers' rights, digital duty of care).
Context drives trust. A standalone one-size-fits-all approach (like the EU AI Act) is not sufficient to build Australia's trust in AI. Australians favour sector-specific approaches, or sector-specific approaches *and* an AI Act with overarching general protections.	**Calibrate rules to real-world use** in sectors like healthcare, education and law enforcement. Consider a Coordinated AI Regulation (CAIR) Act, not as a standalone solution, but to deliver baseline protections, coordination and consistency across sector-specific regulation.
Australia is not one audience. Four distinct AI personas have different motivations for supporting AI regulation.	**Communicate with precision.** Tailor messaging to different cohorts.
This is bigger than AI. Trust in AI reflects trust in government.	**Lead with legitimacy.** Treat AI governance as core to democratic trust and institutional credibility.

Conclusion

TPDi commends the AI Agency Tool, *Australia's 2025 AI Agency Assessment* and *Earning Trust* report to the Committee as resources that may assist its inquiry. Together, they provide a practical framework for understanding Australia's AI ecosystem, strengthening Australia's AI agency, and building the trust needed to translate capability into adoption, resilience and public value. TPDi would welcome the opportunity to brief the Committee.

85% OF AUSTRALIANS support government regulation of AI

70% OF AUSTRALIANS would be more comfortable with AI being used if they knew there were strong government regulations in place

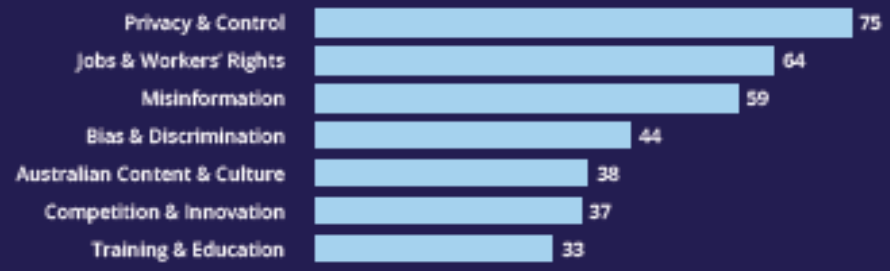
1% OF AUSTRALIANS have 'complete trust' that AI will be used responsibly

44% OF AUSTRALIANS have 'not much' or 'no trust at all' that AI will be used responsibly

49% of women have 'none' or 'not much trust' that AI will be used responsibly, compared to **39% of men**



AUSTRALIANS' PRIORITY ISSUES FOR AI REGULATION



GEN Z

has the most trust in AI being used responsibly (**61%** moderate/a lot/complete), and is the group most likely to accept no regulation or industry regulation as enough (**16%**)

BOOMERS

have the least trust in AI being used responsibly (**44%** have moderate, a lot or complete trust) and is the group most likely to want government regulation of some kind (**91%**)

OLDER AUSTRALIANS ARE MORE LIKELY TO WANT REGULATION

with every year of age increasing regulation demand by 1%

STRONG SECTOR-SPECIFIC LAWS

is Australians' leading preference for government regulation, above general overarching laws

2% OF AUSTRALIANS oppose government regulation

AUSTRALIAN AI PERSONAS

Australia's population falls into 4 distinct AI personas

