



Joint Select Committee on Artificial Intelligence

12 October 2026

The Honourable Anthony Albanese MP
Prime Minister

By email: The Hon Anthony Albanese MP, Prime Minister

cc: Senator the Hon Tim Ayres, Minister for Industry & Innovation and Minister for Science;
The Hon Dr Andrew Charlton MP, Assistant Minister for Science, Technology and the Digital Economy

Dear Prime Minister

We write following the recent hearings and deliberations of the Joint Select Committee on Artificial Intelligence (JSCAI, or the committee). It is clear that artificial intelligence (AI) presents not only economic benefits of which we must take advantage, but also risks which must be managed.

Given the dynamic and fast-changing nature of AI and the urgent need to put in place arrangements that safeguard our nation and provide both the community and industry with certainty, the JSCAI sends this correspondence as an early indicator of the direction of the work of the committee, to inform government of actions that the committee believes need to be undertaken.

The committee has considered the matters outlined in the Terms of Reference agreed to by the Parliament on 20 August 2026 and provides early advice and recommendations to the Australian Government as follows.

1. AI Safeguards

Following the incidents related to the unauthorised access by an AI agent to data retained in Australia's Medicare system, the committee considered evidence from a range of witnesses relating to measures that could be implemented to manage any ongoing risk. It is clear these events demonstrated the need for appropriate and robust safeguards to protect Australian data and the entities and individuals who own and use the data, and ensure there are proper and transparent accountability and oversight mechanisms, along with well-established practices to deal with incidents that may occur in the future. These safeguards should apply to frontier AI developers deploying models and agents in Australia.

a. Ongoing oversight and accountability

The JSCAI recommends the establishment of an ongoing Parliamentary Joint Standing Committee to provide ongoing accountability to this dynamic and emerging industry. It is recommended that the committee be formed in line with the current composition of the JSCAI. We recognise that there will be laws passed by the Parliament to establish the governance framework and deal with copyright issues.

However, we understand that, given the dynamic and fast changing nature of AI, regulatory changes will be, in many cases, the more appropriate approach to governing the operation of this new technology in Australia. The proposed committee would be best placed to conduct rapid reviews of new regulation when required.

This committee may also be reported to at regular intervals, and as required, by the AI Safety Institute, the Office of AI located with the Department of the Prime Minister and Cabinet and also the AI Incident Review Board on serious events and incidents which have been reported to the abovementioned bodies.

Events and incidents reported would include, but are not limited to, significant cyber incidents involving AI, unintended actions of AI agents and models and significant incidents involving the misuse of models.

The proposed committee would also publish details of incidents that occur involving unauthorised actions of AI agents. Publication will ensure absolute transparency relating to potential risks and ensure community confidence is maintained.

b. Funding for AISI

The JSCAI recommends that the Australian Government consider additional funding be provided to the AI Safety Institute in recognition of the fast paced growth of, and risks associated with, developing frontier capabilities. Australia should play a meaningful role in international discussions about AI safety and contribute to safety testing in collaboration with other countries.

c. AI model assurance, safety and risk management

The JSCAI recommends that the Australian Government establish a proportionate, risk-based framework for the development and deployment of AI systems, incorporating appropriate requirements for model evaluation, safety testing, cybersecurity, transparency, accountability, human oversight and ongoing monitoring. Standards should address the distinct risks associated with advanced and frontier AI systems, while avoiding unnecessary regulatory burdens that would inhibit innovation or investment (see recommendation related to 'AI Safeguards' above).

d. Incident monitoring and reporting

The JSCAI recommends that the Australian Government require frontier labs to monitor and report incidents to the Australian Government in a timely manner. This should include an obligation or duty to monitor risks and clear reporting deadlines.

e. Independent evaluation

The JSCAI recommends that the Australian Government mandate arrangements for the establishment of independent evaluators for frontier labs that operate in Australia. This would see independent, qualified and, over time, accredited individuals be embedded within the operations of the frontier labs, have employee-like access to their systems and activities to monitor and assist in managing risk. The appointed evaluators appointed would be required to report to government on safety testing and any incidents under established guidelines and timeframes.

f. Limited use protections

The JSCAI recommends the expansion of the 'Limited Use Protections' as available under the *Intelligence Services Act 2001* and the *Cyber Security Act 2024*, ensuring that, in complying with requirements to furnish certain government authorities with information about potential unauthorised activity, regulatory authorities cannot use that information to apply penalties. This does not preclude regulatory authorities from conducting their own work and applying penalties if required.

g. Early access

The JSCAI recommends that the Australian Government mandate that, as a part of any arrangement facilitating the operation of frontier lab training activity in Australia, early access to new models be provided to relevant agencies such as the Australian Signals Directorate (ASD). Arrangements should be established based on guidance from the ASD around security, timing and access conditions.

h. Protecting government data

The JSCAI recommends that the Australian Government immediately undertake a review of all government repositories of data to ensure that appropriate safeguards and protections are in place, especially with regard to critical and sensitive information or information related to national security. It is also recommended that the Australian Government respond to the review undertaken into the *Data Availability and Transparency Act 2022*, to streamline and improve the operation of that legislation.

i. Biological weapons

The JSCAI recommends that the Australian Government take steps to monitor and, where necessary, mitigate risks posed by AI models with increasing biological capabilities and contribute to the establishment of international norms for AI in gene technology development, gene sequencing and screening.

j. Interoperability, international standards and markets

The JSCAI recommends that the Australian Government ensure that Australian AI standards are internationally interoperable and, wherever appropriate, aligned with recognised international technical standards and assurance frameworks. The standards should facilitate international investment, research partnerships, trusted technology cooperation and export opportunities, while avoiding unnecessary regulatory fragmentation or barriers to Australia's participation in global AI markets.

k. Review of measures

The JSCAI recommends that the operations of these measures be reviewed 12 months after the commencement of any of the above provisions that the Australian Government enacts.

2. Copyright

The JSCAI notes that current copyright arrangements are not facilitating licensing deals for Australian culture and content, particularly for Australian-headquartered companies, and that the status quo sees the work of Australian artists, musicians and media outlets used overseas without adequate control or payment. Frontier AI labs indicate existing copyright settings are a barrier to undertaking training in Australia. The JSCAI recommends that the Australian Government examine current copyright settings and prioritise ensuring that Australian creators retain control over how their works are used, that they are paid, and that AI systems reflect Australian values and culture.

3. Data centre standards

The JSCAI recommends that the Australian Government develop nationally consistent standards for the development and operation of data centres. Such standards should be adopted by state and territory governments and implemented through respective state and territory planning laws, as well as broader policy application in each jurisdiction. The standards should cover matters related to resource consumption (including additionality of energy generation), planning and approvals, community input and social license, penalties and arrangements for non-compliance.

4. Sovereign capability

Australia must be a beneficiary of AI and any regulatory or policy arrangements must be done on Australia's terms, in our national interest, and be geared to ensuring that the benefits are felt by our community, are experienced in our economy and enhance our national security.

The JSCAI recommends that the Australian Government establish comprehensive principles guiding the development, deployment and use of AI in Australia, while supporting the establishment, growth and international competitiveness of a sovereign Australian AI industry.

The principles should establish minimum standards, where appropriate supported by legislation, and provide clear policy direction across the following priority areas:

a. Data sovereignty, governance and security

The JSCAI recommends that the Australian Government establish clear requirements governing the storage, processing, access, ownership, protection and use of data within AI systems, including appropriate safeguards concerning jurisdictional control, cross-border data transfers, foreign access, privacy, intellectual property and the protection of sensitive government, commercial and national security information.

b. Critical AI infrastructure, energy and resource security

The JSCAI recommends that the Australian Government establish a coordinated approach to the adoption, development and secure deployment of AI across Australia's defence, intelligence, law

enforcement and national security agencies. This should include strengthened partnerships with Australian and international frontier AI developers, secure access to advanced AI capabilities, and measures to ensure that Australia's national security institutions can rapidly adopt emerging technologies while protecting sovereign interests, classified information and critical infrastructure.

The JSCAI recommends that the Australian Government establish nationally consistent requirements and planning principles for strategically important AI infrastructure, including access to reliable and competitively priced energy, water, telecommunications connectivity, computing capacity and secure supply chains. These arrangements should support timely investment and infrastructure development while appropriately managing impacts on communities, energy systems and national resilience.

The committee further recommends that the Australian Government identify those elements of the principles requiring legislative effect, with a preference for outcomes-based, risk-proportionate and technology-neutral regulation.

Where legislation is necessary, it should establish clear statutory objectives, minimum requirements and accountability mechanisms, while providing appropriately constrained powers for relevant ministers to make and update subordinate instruments in response to technological developments, emerging risks and changes in international standards.

Such powers should be subject to appropriate parliamentary scrutiny, consultation requirements and periodic statutory review to ensure that regulatory arrangements remain effective, internationally competitive and conducive to innovation.

The overarching objective should be to ensure that Australia is not merely a consumer of AI technologies developed elsewhere, but a trusted, competitive and strategically capable participant in the global AI industry.

The JSCAI recommends that the Australian Government ensure the Security of Critical Infrastructure framework is fit for purpose and covers critical AI infrastructure.

c. AI literacy

The JSCAI recommends that the Australian Government establish an approach to facilitate better community and business understanding of how benefits might be experienced on the uptake of AI in work and community settings. Consideration should be given to programs, including education and awareness campaigns that might assist in meaningfully lifting the uptake rate and then productivity of various sectors of the economy and society through better integration of AI use. Support for small and medium enterprise (SME) uptake should be a focus of this work as our economy transforms with the adoption of AI.

d. Skills and workforce development

The JSCAI recommends that the Australian Government develop a coordinated national approach to improving AI literacy, technical expertise and workforce readiness, including measures to support education, training, workforce transition and the adoption of AI by businesses, government, industry and the broader community.

e. Procurement

The JSCAI recommends that the Australian Government develop whole-of-government procurement and adoption policies that leverage Commonwealth purchasing power to stimulate investment in Australian AI capabilities, support domestic industry participation and accelerate the responsible use of AI across government. Procurement arrangements should appropriately recognise sovereign capability, national security, interoperability, value for money and the long-term strategic benefits of developing a competitive domestic AI industry.

The JSCAI recommends that the Australian Government establish government procurement rules which will enable and support the establishment and growth of a sovereign AI Industry. Strong pro-Australian government procurement guidelines which will foster growth of a sovereign Australian AI industry and send strong signals to the private sector that certainty exists along with confidence in Australian providers. Procurement rules and processes must meet legal and international obligations, but must also satisfy community expectations. Arrangements that ensure Australian industry has a fair chance of providing Australian services to Australian Government agencies are essential to ensuring that Australia can develop sovereign capability.

f. AI industry development

The JSCAI recommends that the Australian Government establish a coordinated national policy to encourage investment in, and development of, sovereign Australian AI capabilities, including domestic computing infrastructure, data centers, research, model development, commercialisation, and strategically important supply chains. The policy should identify opportunities to strengthen Australian ownership, control and operational capability in areas of national economic and strategic significance. Government should create and maintain a register of sovereign AI companies, providing also thresholds and definitions of what entities can identify as Australian sovereign AI companies.

g. Public interest compute

The JSCAI recommends that the Australian Government ensure that, in any arrangement where frontier and other labs operate in Australia, a certain amount of overall compute capacity be reserved for use to advance the national interest. Specifically the committee recommends that the Australian Government consider arrangements where an adequate amount of compute capacity be provided to national interest sectors of government operations and our community, such as national security operations and Australia's higher education sector for research and development purposes. Similarly, consideration should be given to provision of that 'reserved compute capacity allocation' to other sectors for community and national interest reasons, such as health and social services.

The JSCAI also recommends that the Australian Government continue to invest in public interest compute directly, through programs like the National Collaborative Research Infrastructure Strategy (NCRIS) to meet national research needs that cannot be met by LLM training data centres.

h. Pacific nations

The JSCAI recommends that the Australian Government work with Pacific Nations to ensure that the benefits of any arrangement that is entered into to facilitate investment by AI developers and data

centre operators can be shared with Pacific nations on a secure and stable arrangement. The security and economic benefits of such an arrangement would not only empower Pacific nations, it would also assist in continued stability in the region.

Thank you for your consideration of our early advice on these important matters.

We recognise that the work of the committee continues, including further consideration of additional evidence and key matters outside those referenced in this letter, to achieve an outcome that delivers lasting benefits for all Australians.

A full report of the committee will be presented to the Parliament on or before November 30 this year outlining full reasoning of the committee's recommendations and evidence supporting the committee view.

We have copied this letter to Senator the Hon Tim Ayres, Minister for Industry & Innovation and Minister for Science, and the Hon Dr Andrew Charlton MP, Assistant Minister for Science, Technology and the Digital Economy.

Yours sincerely



Ms Jo Briskey MP
Member for Maribyrnong
Chair



Senator Jonathon Duniam
Senator for Tasmania
Deputy Chair