

Australian Responsible Al Index 2024

Fifth Quadrant National Artificial Intelligence Centre

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National Artificial Intelligence Centre



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Background





Background



Objectives

Responsible AI (RAI) is designed and developed with a focus on ethical, safe, transparent, and accountable use of AI technology, in line with fair human, societal and environmental values. It is critical in ensuring the ethical and appropriate application of AI technology.

The Index offers a comprehensive analysis of RAI adoption in Australian organisations. It tracks RAI system maturity across five key dimensions: fairness; accountability; transparency; explainability; and safety.

Key Areas of Investigation

1. Al Strategy:

- o Organisational AI strategy maturity
- o Consideration of Human Rights in Al strategy
- o Current and planned usage of ethical AI principles, frameworks and toolkits
- Awareness of Australia's AI Ethics Principles

2. Responsible AI Implementation:

- o Benefits of taking a responsible AI approach
- o Leadership support for the development and deployment of responsible AI
- Attitudes towards responsible AI
- Appetite for developing responsible AI

3. Al Usage Landscape:

- $\circ~$ Use cases for AI and problem-solving applications
- o Drivers of Al adoption
- $\circ\;\;$ Identification and management of risks related to AI development and deployment
- o AI deployment success rates



Acknowledgements

The 2024 Australian Responsible AI Index is sponsored by the National Artificial Intelligence Centre (NAIC).

The concept for the Australian Responsible AI Index was originated by Dr Catriona Wallace and developed in partnership with Fifth Quadrant.

The inaugural Australian Responsible Al Index was released in 2021, followed by the second report in 2023. This 2024 report represents the continued evolution of this important initiative.

The Australian Responsible Al Index is the intellectual property of Fifth Quadrant and Dr Catriona Wallace.

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Methodology & Sample



Sample

The sample for the study was made up of:

- o Organisations based in Australia
- Al strategy decision makers (e.g., CIOs, CTOs, CDOs, heads of data etc.) working in organisations with 20 or more employees
- A range of organisations by size, industry and location
- Organisations that have deployed AI in their organisation or are in the process of deploying AI in their organisation



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Methodology



15-minute online survey



Sample sourced via a specialist B2B online panel



Fieldwork was conducted between 11th March – 22nd April 2024

QQ
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Significant modifications were made to the 2024 RAI, including the method of calculating the index, hence most data from 2024 cannot be tracked to previous years. Changes in RAI practices which were included in the last wave are noted in this report.



Sample Profile

Respondents in the sample work for organisations that represent a range of industries, which have been categorised into eight groups.



Sample Profile

The sample is based on AI decision makers who have significant influence over the AI strategy in organisations with at least 20 employees. It covers a range of organisation sizes and locations, with a mix of AI usage. All organisations are either currently using AI or in the process of implementing AI.

S1. Which of the below statements best describes your organisation's use of AI? S4. What is your role in the organisation? S5. How many full-time employees does your company employ in Australia?

7 S6. Where is your company's Australian head office located? S8. Please can you indicate your gender? Q1. For how long has your organisation used Al? Base: Total respondents (n=413)

The Responsible Al Index

Respondents were evaluated on their implementation of 38 identified RAI practices. The more RAI practices that an organisation implements, the higher the Index score.

Points attributed to practices as follows: Practice implemented = 2 points; Practice not implemented but plan to implement = 1 point; Practice neither implemented nor planned = 0 points Therefore, the maximum number of points an individual practice could attain is 2 points

The number of points earned within each dimension was then re-weighted to ensure each dimension was given an equal weight of 20 points in the model, resulting in a total Responsible Al Index score out of 100

The scoring system used to calculate the Index rewards organisations with two points for each practice implemented and one point for a practice that is planned for implementation in the next 12 months.

Points allocated as follows: Practice implemented = **2 points**; Practice not implemented but plan to = **1 point**; Practice neither implemented nor planned = **0 points**

The Responsible Al Index: Overall

The mean RAI Score is 44. Four levels of RAI maturity are identified, with most organisations sitting within the Developing and Implementing groups. Only 8% identify as in the Leading stage of RAI implementation. This suggests there is significant room for improvement in the adoption and implementation of responsible AI practices.

The Index identifies four levels or segments of maturity regarding an organisation's approach to Responsible AI.

Emerging

- State of Maturity: Organisations in this segment are immature in their implementation of responsible AI practices
- **Implementation**: On average, they have implemented 4-5 responsible AI practices
- **Challenges**: They lack significant oversight, leadership support, and knowledge regarding responsible AI
- RAI Score: These organisations have an RAI score between 0 and 24, representing 16% of the organisations surveyed

Developing

- **State of Maturity**: Making partial progress in adopting responsible AI practices
- Implementation: They have implemented an average of 9-10 responsible AI practices
- Challenges: Often struggle with fully integrating transparency and explainability measures into their existing Al systems
- RAI Score: RAI scores range from 25 to 49, covering 48% of the organisations surveyed

Implementing

- **State of Maturity**: Organisations in this segment are
- actively implementing responsible AI practices
- **Implementation**: On average, they have implemented 16 responsible AI practices
- **Challenges**: Ensuring comprehensive data protection and addressing ethical implications remain significant hurdles
- **RAI Score**: Their RAI scores are between 50 and 69, representing 28% of the organisations surveyed

Leading

- **State of Maturity**: These organisations are mature in their implementation of responsible AI practices
- **Implementation**: On average, they have implemented 28 responsible AI practices
- **Challenges**: Maintaining high standards of accountability and strategic oversight while scaling AI initiatives can be challenging
- RAI Score: Their RAI scores are between 70 and 100, which is only 8% of the organisations surveyed

Larger organisations have made the most progress at implementing responsible AI practices.

Businesses in the professional services sector have the highest RAI score with retail & hospitality lagging.

RAI Index Score

Base: Total respondents (n=413); Construction (n=32), Financial services (n=73), Government, health & education (n=55), Information media & telco (n=57), Production (n=62), Professional services (n=49), Retail & hospitality (n=50), Utilities & transport (n=31)

RAI Maturity and Duration of AI Usage

Organisations with more experience using AI tend to have higher RAI scores, reflecting more mature and comprehensive AI practices. A significant majority of organisations are still in the early stages of AI adoption, with 69% using AI for less than 3 years. This highlights a need for support and guidance to help these organisations improve their AI maturity and responsible AI practices.

Al Strategy

Organisational Strategy for Al

The Leading group is more likely to have an AI strategy tied to all organisational divisions. This approach ensures that AI initiatives are aligned with business goals; promoting consistency, coherence, and enhanced organisational effectiveness as these organisations leverage AI more strategically.

Do you have a strategy for the development of AI that is tied to your wider business strategy?

17 Q2. Thinking about your organisation's strategies, do you have a strategy for the development of AI that is tied to your wider business strategy? Base: Total respondents (n=413), Emerging (n=66), Developing (n=199), Implementing (n=115), Leading (n=33)

Responsibility for Driving AI Strategy

Organisations in the Leading segment are more likely to have business leadership taking responsibility for driving AI strategy. This ensures accountability and more strategic oversight of the development and implementation of AI.

Who in your organisation is responsible for driving the AI strategy?

18 Q3. Who in your organisation is responsible for driving the organisation's AI strategy?

Base: Total respondents (n=413), Emerging (n=66), Developing (n=199), Implementing (n=115), Leading (n=33)

Over half of organisations that have an enterprise-wide AI strategy have the business leaders personally invested in driving the strategy, compared with 34% where the AI strategy is only tied to some divisions.

Who in your organisation is responsible for driving the AI strategy?

Q3. Who in your organisation is responsible for driving the organisation's AI strategy?

19 Q2. Thinking about your organisation's strategies, do you have a strategy for the development of AI that is tied to your wider business strategy? Base: Organisations where leadership team drive AI strategy (n=136)

RAI Practices

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Most organisations are lacking in comprehensive accountability and oversight measures for AI systems, which suggests that many are not yet fully equipped to manage AI responsibly.

	Has your organisation done any of the following to establish accountability and oversight of its Al systems?				
		Implemented	Plan to implement	No plans to implement	
	Monitored industry standards	33%	18%	49%	
	Developed best practice guidelines	31%	19%	50%	
	Required training for developers and deployers of AI products (in certain settings)	29%	20%	51%	
	Established clearly designated roles with responsibility for the responsible use of AI	27%	16%	58%	
	Conducted impact assessments to understand the effects of your Al systems on different stakeholders, society and the environment	26%	22%	52%	
	Established an Al risk/governance committee	26%	18%	56%	
	Consulted with subject matter experts on AI risk management or responsible AI	25%	17%	58%	
Accountability	Monitored outcomes for customers or employees	25%	22%	53%	
& Oversignt	Engaged your business leadership on the issues around responsible AI	25%	19%	56%	
	Reviewed global best practices and frameworks	24%	17%	59%	
	Implemented specific oversight and control measures to reflect the self-learning or autonomous nature of the Al system	23%	20%	57%	
	Identified and assessed the risks and opportunities for human rights	22%	22%	56%	

Many are falling short in implementing comprehensive safety and resilience measures for AI systems, indicating potential gaps in ensuring AI robustness. Nearly 7 in 10 have not assessed nor plan to assess vendor claims on the performance of black box AI systems, which is a concern given the rate of adoption of generative AI.

Has your organisation done any of the following to ensure its AI systems are safe and resilient?				2.7 practices implemented on average
		Implemented	Plan to implement	No plans to implement
	Conducted safety risk assessments including technical reviews and audits to ensure Al systems are resilient and secure	37%	19%	44%
	Sourced legal advice around potential areas of liability Increased by 13% since 2022	35%	18%	46%
	Conducted rigorous testing and validation to ensure models perform consistently over time and in different scenarios	31%	21%	48%
	Reported security-related vulnerabilities in Al systems	31%	19%	50%
	Implemented mechanisms for ongoing auditing and performance monitoring to improve the safety and resilience of AI systems	31%	24%	45%
Safety &	Used software tools that support the development of responsible AI	30%	21%	49%
Resilience	Consulted with privacy and security experts to examine the reliability and safety of Al systems	30%	21%	49%
	Shared information on AI safety related best practices	30%	20%	51%
	Assessed the vendor's claims on performance	18% 13%		69%

Many organisations have not fully implemented practices to ensure AI systems operate without bias or discrimination, highlighting a vulnerability in achieving fairness. Nearly half have not used nor plan to use resources and tools to help mitigate bias, which is low-hanging fruit that organisations can leverage to enhance fairness

Has your organisation done any of the following to ensure its Al systems operate without bias or discrimination?				2 practices implemented on average
		Implemented	Plan to implement	No plans to implement
	Maintained rigorous project management and bias monitoring practices throughout the project lifecycle to mitigate the risk of bias introduced by "scope creep"	41%	22%	37%
Fairness	Selected fairness metrics that are aligned with the desired outcomes of the AI system's intended application to evaluate the fairness of AI systems	35%	24%	41%
	Reviewed training data and AI algorithms for potential bias	35%	22%	43%
	Hired non-technical consultants or professionals to review AI systems for bias	32%	21%	47%
	Hired a more diverse workforce Increased by 11% since 2022	28%	20%	52%
	Used resources and tools that help to mitigate bias	28%	25%	47%

A significant number of organisations have neither implemented nor planned key transparency practices. For example, half have not publicly reported nor plan to report on AI system capability limitations. Addressing these gaps will help foster a culture of transparency and trust in AI systems.

Organisations are lagging in implementing practices that ensure AI model decisions are explainable and contestable, with significant gaps remaining. Around half of organisations are maintaining comprehensive documentation of the AI development process, but nearly half have not set up nor plan to set up recourse mechanisms.

Summary of Level of RAI Practice Adoption

The heat map below indicates that while Leading organisations are implementing a high number of responsible AI practices, there is a substantial gap that needs to be addressed by Emerging and Developing organisations. This gap underscores the need for focused efforts to enhance the adoption of responsible AI practices across all maturity levels, particularly in areas like Accountability & Oversight and Fairness

RAI maturity by practice area and segment

26 Q21-Q29. Has your organisation done any of the following? Base: Total respondents (n=413), Emerging (n=66), Developing (n=199), Implementing (n=115), Leading (n=33)

RAI Principles

Awareness of Australia's AI Ethics Principles

Two thirds of organisations are aware of Australia's AI Ethics Principles. This high level of awareness, especially among more mature organisations, indicates that the efforts by the Department of Industry, Science and Resources to promote these principles are having a significant impact.

Awareness of Australia's AI Ethics Principles

28 Q18. The Australian Federal Department of Industry Science and Resources has developed a set of AI Ethics Principles. Prior to taking part in this survey, were you aware of these principles? Base: Total respondents (n=413), Emerging (n=66), Developing (n=199), Implementing (n=115), Leading (n=33)

Importance of Australia's AI Ethics Principles

Most executives believe their organisation is developing AI systems that align with Australia's AI Ethics Principles. Higher importance is attributed to ensuring privacy and security, and societal wellbeing.

Importance of Australia's AI Ethics Principles					
	0 – 6 Unimportant	7 – 8 Moderately Important	9 – 10 Very important		
Privacy protection and security Our AI systems should respect and uphold privacy rights and data protection and ensure the security of data	25%	37%	38%		
Human, societal and environmental wellbeing Our AI systems should be designed to benefit customers, society, and the environment	24%	38%	38%		
Reliability and safety Our Al systems should reliably operate in accordance with their intended purpose	25%	38%	37%		
Human-centred values Our AI systems should be designed to respect human rights, diversity, and the autonomy of individuals	23%	43%	34%		
Fairness Our AI systems should be inclusive and accessible and should not involve or result in unfair discrimination against individuals, communities, or groups	25%	41%	34%		
Transparency and explainability There should be transparency and responsible disclosure to ensure people know when they are being significantly impacted by our AI systems and can find out when our AI systems are engaging with them	28%	40%	32%		
Accountability The people responsible for the different phases of the AI system lifecycle should be identifiable and accountable for the outcomes of our AI systems, and human oversight of our AI systems should be enabled	29%	39%	32%		
Contestability When our AI systems significantly impacts a person, community, group or environment, there should be a timely process to allow people to challenge the use or output of our AI systems	27%	44%	29%		

The importance of Australia's AI Ethics Principles increases significantly with maturity, highlighting gaps in priority among less mature organisations.

Agreement with Australia's AI Ethics Principles

The data highlights that as organisations mature, they increasingly align their systems and processes with Australia's AI Ethics Principles.

	NET	Emerging	Developing	Implementing	Leading
Privacy protection and security Our AI systems comply with relevant privacy and security regulations	84%	79%	81%	89%	97%
Human-centred values Our Al systems are designed to be human centered at their core	82%	80%	80%	82%	94%
<u>Reliability and safety</u> Our Al systems are designed to be safe and to not harm or deceive people	82%	73%	80%	85%	97%
Accountability Our leadership can be held accountable for the impact of their Al systems	79%	70%	77%	83%	97%
Human, societal and environmental wellbeing Our Al systems generate quantifiable benefits to humans, society and the environment that outweigh the costs	77%	67%	75%	80%	100%
Transparency and explainability We are able to transparently show and explain how algorithms work	76%	73%	70%	82%	100%
Contestability We have a timely process in place to allow people to challenge the use or outcomes of our Al systems or groups	73%	70%	70%	76%	82%
Fairness Ne have robust systems and processes in place to minimise the likelihood of our Al systems causing unfair treatment of individuals, communities or groups	69%	64%	65%	71%	88%

Agreement with Australia's AI Ethics Principles, % Agree

We have robust

The Responsible AI Gap

The overall gap of 49 points between perception and practice of these principles highlights a substantial "say-do" gap between the perception of responsible AI practices and their actual implementation. This discrepancy underscores the need for organisations to move beyond mere awareness and actively implement robust RAI practices to align with ethical principles effectively.

Agreement With Al Performance Statements % of organisations agreeing with statement		AI Ethics Principles		Examples of Practices Implemented % of organisations implementing
Our AI systems generate quantifiable benefits to humans, society and the environment that outweigh the costs	77%	Human, Social and Environmental Wellbeing	26%	Conducted impact assessments to understand the effects of AI systems on different stakeholders, society and the environment
Our Al systems are designed to be human-centered at their core	82%	Human-centred Values	22%	Identified and assessed the risks and opportunities for human rights
We have robust systems and processes in place to minimise the likelihood of AI systems causing unfair treatment of individuals, communities or groups	69%	Fairness	35%	Selected fairness metrics that are aligned with the desired outcomes of the Al system's intended application to evaluate the fairness of Al systems
Our AI systems comply with relevant privacy and security regulations	84%	Privacy Protection and Security	31%	Reported security-related vulnerabilities in AI systems
Our Al systems are designed to be safe and to not harm or deceive people	82%	Reliability and Safety	37%	Conducted safety risk assessments including technical reviews and audits to ensure AI systems are resilient and secure
We are able to transparently show and explain how algorithms work	76%	Transparency and Explainability	29%	Publicly reported on AI system limitations, capabilities, and areas of appropriate and inappropriate use
We have a timely process in place to allow people to challenge the use or outcomes of our AI systems	73%	Contestability	30%	Set up recourse mechanisms if an Al system negatively impacts a member of the public
Our leadership can be held accountable for the impact of their Al systems	79%	Accountability	27%	Established clearly designated roles with responsibility for the responsible use of Al
Average agreement with AI p	erformance statements 78%	49-point gap	29% of organ	isations have implemented RAI practices

Q5. For each of the following statements please indicate the extent to which you agree/disagree. Q21. Has your organisation done any of the following to provide visibility to the intended use and impact of its AI systems?

Q23. Has your organisation done any of the following to explain how its AI models reach decisions? Q25. Has your organisation done any of the following to ensure its AI systems are safe and resilient? Q27. Has your organisation done any of the following to ensure its AI systems operate without bias or discrimination? Q29. Has your organisation done any of the following to establish accountability and oversight of its AI systems?

32

Base: Total respondents (n=413)

Current Capability To Build Responsible Al

Organisations indicate they are moderately or highly capable of designing and building a responsible AI system. As expected, those in the Implementing and Leading segments rate themselves more capable but there is a level of misplaced optimism among the less mature groups.

33 Q31. Overall, on a scale of 0 to 10, how do you rate your organisation's current capability to design and build a responsible AI system? Base: Total respondents (n=413); Emerging (n=66), Developing (n=199), Implementing (n=115), Leading (n=33)

Al Standards & Guidelines

Positively, over half of organisations claim to have formal AI standards or guidelines in place to guide the responsible use of AI across all business functions. This is more prominent among more mature organisations.

Formal AI Standards or Guidelines for AI Ethics and Principles

34 Q15. Thinking now more broadly about the ethics and principles relating to AI, does your organisation have any formal AI standards or guidelines in place? Base: Total respondents (n=413), Emerging (n=66), Developing (n=199), Implementing (n=115), Leading (n=33)

Concerns about Al

Organisational Concerns About Using Al

Top organisational concerns about using AI relate to negative outcomes for customers and employees, and potential brand/reputational damage.

Concerns Surrounding the Organisational Impacts of AI

Organisational Concerns About Using Al

The more mature organisations are in their responsible AI journey, the more concerns they are likely to have due to their experience and awareness of ethical AI principles and standards.

Concerns Surrounding the Organisational Impacts of AI, % Very Concerned

Societal Concerns About Al

When it comes to wider societal concerns about AI, cyber security risks and unethical development or use of AI by other organisations top the list.

Societal Concerns About Al

Similarly, the Implementing and Leading segments have more concerns around the societal impacts of AI as they are more aware of the ethical risks of AI.

Concerns Surrounding the Societal Impacts of AI, % Very Concerned

39 Q14. Thinking about the potential impact of AI systems on Australian society, how concerned are you about the below? Base: Total respondents (n=413), Emerging (n=66), Developing (n=199), Implementing (n=115), Leading (n=33)

Al Usage

Types of AI Technologies Being Used in Organisations

As expected, Generative AI, chatbots and virtual assistants are the most widely adopted AI technologies. More mature organisations utilise a wider range of AI technologies, reflecting more advanced AI adoption and integration.

AI Technology Use By Segment

41 S2. Which of the below types of Al technologies is your organisation currently using? Base: Total respondents (n=413), Emerging (n=66), Developing (n=199), Implementing (n=115), Leading (n=33)

Al Development & Implementation Approach

With nearly two-thirds of organisations using systems developed by third parties, there should be more scrutiny of performance to ensure reliability and suitability of these "black box" systems to ensure they meet performance expectations and organisational requirements.

How does your organisation approach the development and implementation of AI systems?

Drivers for Al Adoption

Improving customer experience, operational efficiency and security are the top drivers of AI adoption.

7 – 8 Moderately Important - 10 Very important 9 0 – 6 Not that important Improve operational efficiency 16% 46% 39% **OPERATIONS** Improve security 22% 40% 38% Improve analytics and decision making 19% 46% 35% Improve employee productivity and wellbeing 22% 44% 34% Improve marketing accuracy/efficiency 22% 31% 47% FINANCES Reduce operating costs 19% 36% 45% Increase revenue 20% 44% 36% INNOVATION Improve customer experience 21% 36% 43% Create innovative products and solutions 22% 45% 32% MARKET Out-perform competitors 34% 22% 44% Increase speed to market 21% 34% 46%

43 Q6. How important are the following factors in the decision to deploy Al in your organisation? Base: Total respondents (n=413)

Customer Benefits of Al

Looking closely at the customer outcomes for AI use, organisations have been using AI to improve their customer service interactions, increase security for customers and offer better products, thereby improving the customer experience.

	0 – 6 Not using	7 – 8 Moderately using	9 – 10 Using extensively
Providing year-round, 24/7 customer service	34%	37%	29%
Supporting customers when interacting with your organisation's digital channels	36%	37%	27%
Providing improved security for customers	34%	39%	27%
Improve customer value through new and/or products and services enhanced by AI	34%	40%	26%
Using previously provided information to provide a personalised service or experience	33%	42%	25%
Improving consistency of customer interactions with your organisation	33%	41%	25%
Recommending additional products or services based on previous interactions	36%	40%	24%
Altering manner or style of communication based on previous interactions	38%	40%	22%
Retargeting with marketing based on previously expressed interests	37%	41%	21%
Altering pricing based on previous interactions	38%	47%	20%

Extent AI is Being Used for Customers

Al Usage across Organisational Areas

Al is used most extensively in technology, data, and operations functions; followed by customer and sales. These areas benefit significantly from AI's ability to process large datasets, optimise processes, and enhance security measures. Adoption is lower in areas which deal with complex and sensitive information, such as HR and legal.

- 8 Moderately Using 0 – 6 Not Using 9 10 Using Extensively IT Operations 25% 46% 28% 30% 27% Security 43% Data Analytics 24% 50% 27% Process Optimisation and Automation 29% 46% 25% Sales 32% 24% 44% Asset Management and Maintenance 34% 23% 43% Knowledge Management 31% 46% 23% Customer Relationship Management (CRM) 30% 48% 22% Marketing 30% 49% 22% Contact Centre 32% 47% 22% Finance and Accounting 34% 46% 19% Recruitment 38% 43% 19% Supply Chain and Logistics 32% 49% 19% Legal, Compliance and Governance 33% 50% 17% Employee Performance and Development 37% 17%

Use of AI in Key Organisational Areas

Al Usage across Organisational Areas

Leading organisations are extensively using AI across a wider range of functional areas compared to Emerging and Developing organisations. In contrast, less mature organisations have a more limited scope of AI usage, potentially focusing on getting AI systems up and running rather than refining and ensuring their ethical use.

Use of AI in Key Organisational Areas, % Using Extensively

46 Q8. To what extent are you using Al across the following areas of your organisation? Base: Organisations currently using Al (n=334), Emerging (n=48), Developing (n=161), Implementing (n=95), Leading (n=30)

Outcomes of Al

Outcomes of Al

Comparing the drivers of AI adoption and the achievement of outcomes indicates a strong alignment between what organisations consider important and what they are able to achieve with AI.

Extent AI has Enabled Organisational Outcomes

		0 – 6 Not Achieved	7 – 8 Moderately Achieved	9 – 10 Fully Achieved
	Improved analytics and decision making	31%	43%	26%
SN	Improved employee productivity and wellbeing	30%	45%	25%
ATIC	Improved security	32%	43%	25%
DPER	Improved marketing accuracy/efficiency	33%	43%	24%
Ŭ	Improved operational efficiency	27%	51%	23%
CES	Increased revenue	210/	4.404	2504
FINAN	Reduced operating costs	32%	45%	23%
JOVATION	Improved customer experience Created innovative products and solutions	32% 34%	43%	26%
Ž				
ΈT	Increased speed to market	26%	46%	27%
MARK	Out-performed competitors	36%	43%	22%

Benefit vs. Cost of Responsible AI

Leading organisations identify greater net benefits from responsible AI compared to Emerging and Developing organisations. The lower perception of benefits among Emerging and Developing organisations suggests a need for more support, guidance, and perhaps better communication about the advantages of responsible AI.

Costs and Benefits of Responsible AI

There is broad recognition that adopting RAI practices can enhance business competitiveness. Organisations at higher maturity levels show greater appreciation of responsible AI's competitive benefits.

Competitive Advantage of Responsible AI

Australia's Voluntary Al Safety Standard

Awareness of the ISO AI Management System Standard is high across the board, with those early in their responsible AI journey having a lower level of awareness.

Awareness of ISO AI Management System Standard

Implementation of ISO AI Management System Standard (ISO/IEC 42001:2023)

Among those aware of the ISO AI Management System Standard, the majority are looking to implement it across all or some business functions. This indicates a strong foundation and readiness among Australian organisations to align with Australia's Voluntary AI Safety Standard.

Does your organisation intend to implement the ISO AI Management System Standard?

Q17. Does your organisation intend to implement the ISO AI Management System Standard? 53 Base: All aware of ISO Al Management System Standard (n=280), Emerging (n=31), Developing (n=137), Implementing (n=87), Leading (n=25)

By adopting <u>Australia's Voluntary AI Safety Standard</u>, organisations can significantly enhance their implementation of Responsible AI, ensuring their AI systems are ethical, transparent, and aligned with global best practices. Benefits of adoption include:

- **1.** Enhanced trust and credibility among stakeholders, including customers, regulators, and the public, signaling a commitment to high ethical standards.
- 2. Regulatory compliance providing a structured approach to compliance with existing and emerging regulations, reducing legal risks and ensuring AI systems meet legal requirements.
- **3.** Competitive advantage providing a point of differentiation in the marketplace, gaining a competitive edge by showcasing a commitment to responsible and ethical AI.
- 4. Global alignment facilitating smoother collaboration and integration with global partners, fostering innovation and cross-border technological advancements.
- 5. Risk mitigation minimising the potential for AI-related failures, biases, and ethical breaches, protecting organisations from reputational and operational risks.

For a comprehensive description of how organisations can use tools and guidelines to connect the principles and practices of Responsible AI, see NAIC's report <u>Connecting Principles and Practice: Implementing Responsible AI in Business</u>.

This report provides a pragmatic selection of practices aligned with Australia's AI Ethics Principles, including examples of tools and guidelines available to support each practice. It highlights the importance of staying informed about emerging resources, and adapting organisational culture and governance, to elevate Responsible AI to a standard routine. These steps are crucial for ensuring that AI systems operate ethically, transparently, and in alignment with societal values.

Thank You

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