

**Matthew Deaner**

CEO

Screen Producers Australia

17 October 2024

**Niki Strachan**

A/g General Manager

AI Governance

Department of Industry Science and Resources

Via email: niki.strachan@industry.gov.au

Dear Niki,

**Re: SPA's Views on Mandatory Guardrails for AI in High-Risk Settings**

Thank you again for meeting with Screen Producers Australia (SPA) and some of our members at Parliament House on 9 October 2024. Our members found the discussion invaluable, and we appreciate the opportunity to share our views on mandatory guardrails for AI in high-risk settings.

SPA is closely monitoring the evolving role of artificial intelligence (AI) within our sector. While AI offers significant potential for innovation and efficiency, many of our members are still navigating the complexities of integrating this technology into their businesses.

We support the work the Department is undertaking regarding AI, and we believe that AI usage in high-risk settings is best legislated separately in a standalone act, rather than strengthening existing laws. However, SPA advocates for keeping copyright matters, particularly the use of copyrighted material in data training sets and the copyright status of outputs generated by AI, distinct from any new AI-focused legislation. We believe that these issues should be handled through existing frameworks and reforms under the jurisdiction of the Attorney General, to ensure that the specific nature of intellectual property is addressed comprehensively.

SPA supports the inclusion of the proposed guardrails, particularly Guardrail 3, which mandates data governance measures to protect AI systems and manage data quality and provenance, and Guardrail 6 which emphasizes the importance of informing end-users about AI-enabled decisions and interactions, ensuring that audiences comprehend the content they consume.

SPA sees guardrails 3 and 6 as the most applicable to the screen industries use of these AI systems. These guardrails are particularly relevant to generative AI (GenAI) systems, though we note that most current applications in production or post-production are categorised as Narrow AI systems - designed for specific tasks, such as enhancing visual effects or automating editing, rather than generating new works like GenAI. This distinction should be considered when providing a definition of high-risk in the legislation.

SPA members and other industry participants have expressed concerns about the potential disruptive effects of generative AI on established business and distribution

models. The integration of AI into production processes could fundamentally alter traditional content creation and distribution methods, jeopardizing the balance between creators, distributors, and broadcasters. This shift may lead to new licensing frameworks or revenue-sharing structures that could disproportionately disadvantage independent producers. Furthermore, it could create a scenario where large multinational studios, SVOD services, and broadcasters develop proprietary AI systems to produce content, thereby reducing their reliance on, or need for, independently produced projects. This outcome would be disastrous for the whole of the Australian screen industry.

Equally concerning is the potential erosion of the screen industry workforce. The prospect of AI systems replacing cast and crew—through digital avatars or automated production tools—raises alarms about the future of jobs in the industry. Entry-level roles, in particular, could vanish as AI streamlines tasks like scriptwriting, editing, and certain technical positions. This threatens to narrow the talent pipeline and undermine traditional skill-building opportunities in the creative workforce.

SPA agrees that developers and deployers of high-risk AI systems should be subject to transparency obligations, as proposed under guardrail 6. It is imperative that audiences, especially children and their parents, understand the nature of the content they are viewing. We believe transparency obligations should effectively inform audiences about the content they consume, regardless of the method used to achieve this outcome. SPA remains agnostic to the final form of these obligations, provided they serve the vital purpose of enhancing audience knowledge and trust.

Given the rapid developments in AI, we recommend that any legislation addressing its use in high-risk settings be separate from copyright issues. While robust protections in high-risk environments are crucial, copyright concerns can be more effectively managed through the Copyright Act and associated reforms.

I thank you for considering SPA's view on this issue. We look forward to continuing working with the Department on the regulation of AI in high-risk settings while safeguarding the interests of our members and the integrity of the Australian screen industry.

Sincerely,

A handwritten signature in black ink, appearing to read 'Matthew Deaner', with a large, stylized flourish at the end.

Matthew Deaner  
CEO  
Screen Producers Australia