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Al Consultation Team Department of Industry, Science and Resources GPO Box 2013 Canberra ACT 2601

Dear AI Consultation team

Australian Psychological Society Submission to the Department of Industry, Science and Resources Consultation on Mandatory Al Guardrails in High-Risk Settings

The Australian Psychological Society (APS) welcomes the opportunity to contribute to the Department of Industry, Science and Resources consultation on the Introducing Mandatory Guardrails for AI in High-Risk Settings Proposal Paper. As the peak body for psychology in Australia, we are dedicated to advancing the scientific discipline and ethical practice of psychology in the communities we serve to promote good psychological health and wellbeing for the benefit of all Australians.

The APS acknowledges the transformative potential of artificial intelligence (AI) for all aspects of Australian society. We welcome the Department's efforts in developing effective regulatory measures to ensure the safety and beneficence of AI, particularly in areas with potential psychological and mental health impacts.

We support the proposal that AI systems designated as high-risk should take into account the risk of adverse impacts on an individual's physical or mental health or safety. As we have emphasised in previous submissions, including our response to the Department's *Safe and Responsible AI in Australia* consultation,¹ the psychological impacts of AI must be carefully considered.

These impacts include but extend beyond traditional mental health considerations, encompassing broader psychological domains including trust, agency and autonomy, decision-making, psychological safety, and relationships (including at both the interpersonal and intergroup level). Psychological wellbeing, defined broadly, must therefore be a core consideration when designing AI regulations and guardrails.

The need for research on AI's psychological and mental health impact

To form an evidence-based understanding to guide policy and regulation, the APS has been calling on the Government to invest in research that investigates the role of AI on mental health and psychological outcomes, particularly within the Australian context. In our *Pre-Budget Submission* 2024–25,² we recommended several key AI-related initiatives, including:

- Funding a psychology-led discovery project led by the APS to research the impact of AI on the mental health of young Australians. We proposed a longitudinal project that would leverage the capability and reach of psychologists and psychological scientists across Australia to develop our understanding of how young Australians engage with AI, how this is evolving over time, and the psychological and mental health impacts of this engagement.
- Supporting the APS in developing AI-related training, guidance, and resources for psychologists. This will ensure the profession is well-equipped to ethically and effectively navigate AI's role in psychological therapy, assessments, and in broader social contexts. Additionally, this work would further our collective understanding about the psychological and mental health risks and impacts of AI.

We were disappointed that these initiatives were not funded in this year's Budget but remain hopeful that they will be considered in future Budget cycles. It is essential that the psychological effects of Al are systematically researched and understood, particularly in high-risk settings where there may be profound and unintended consequences.

Collaboration with the Department on the mental health and psychological impacts of AI

The APS stands ready to work closely with the Department to ensure that AI regulations and guardrails are informed by psychological research and the experience of psychologists and their clients. Our members bring unique insights into the complex relationship between technology, cognition, emotional wellbeing, relationships and human agency, all of which are critical for developing ethical and effective AI systems. We look forward to continued engagement on this issue and to contributing to the safe, ethical, and responsible use of AI, including in high-risk settings.

Thank you again for the opportunity to provide a submission to the Department's consultation on mandatory AI guardrails in high-risk settings. If any further information is required from the APS, I would be happy to be contacted through our National Office on (03) 8662 3300 or by email at: z.burgess@psychology.org.au

Yours sincerely

Dr Zena Burgess, FAPS FAICD Chief Executive Officer

References

- Australian Psychological Society. (2023). APS Response to the Safe and Responsible AI in Australia Discussion Paper. https://psychology.org.au/psychology/advocacy/submissions/professionalpractice/2023/aps-response-to-the-safe-and-responsible-ai-in-aus
- Australian Psychological Society. (2024). APS Pre-Budget Submission 2024-25 Looking to the future: Leveraging psychology to strengthen Australia's resilience. https://psychology.org.au/psychology/advocacy/submissions/professional-practice/2024/aps-pre-budgetsubmission-2024-25