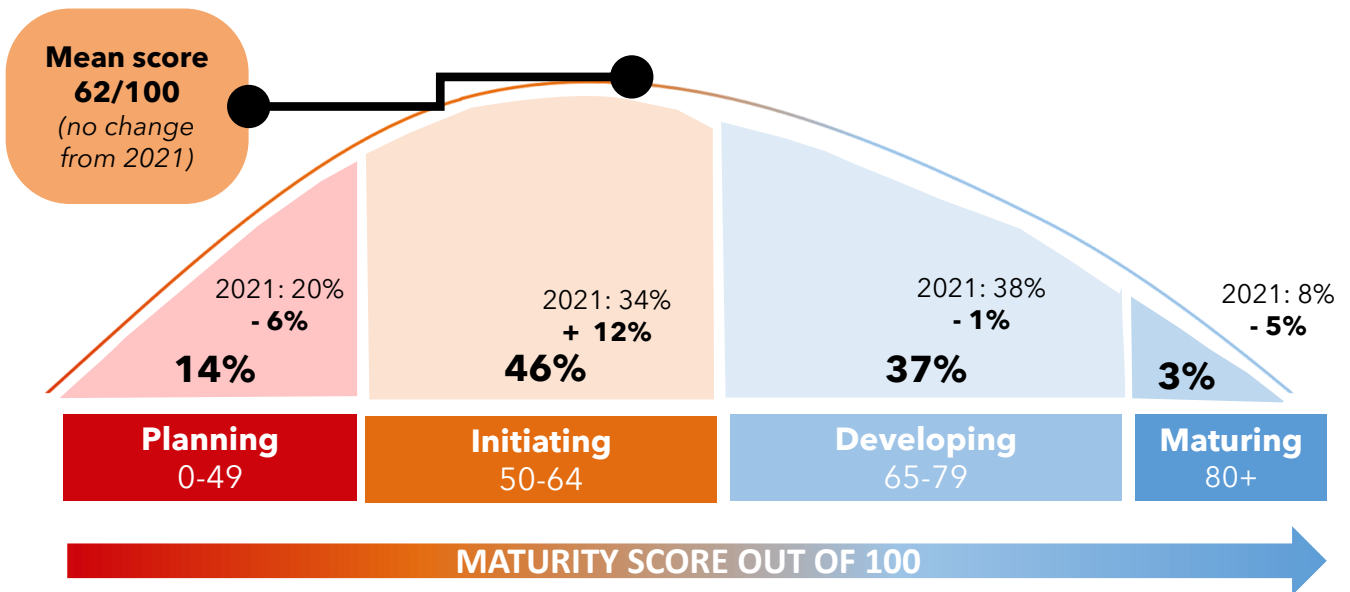## Bridging The Responsible AI Gap

The Responsible AI Index 2022, sponsored by IAG and Transurban, measures and tracks how well organisations are designing and implementing Responsible AI systems. Responsible AI systems are designed with careful consideration of their fairness, accountability, transparency, and impact on people and society

The Index is based on a survey of 439 executive decision makers responsible for AI development.

The mean Responsible AI Index score for Australian-based organisations is 62 out of 100 (unchanged since 2021).

Mean score 62/100
(no change from 2021)

2021: 20% **- 6%**	2021: 34% **+ 12%**	2021: 38% **- 1%**	2021: 8% **- 5%**
14%	**46%**	**37%**	**3%**
Planning 0-49	**Initiating** 50-64	**Developing** 65-79	**Maturing** 80+

MATURITY SCORE OUT OF 100

Four levels of Responsible AI maturity are identified: i) Planning, ii) Initiating, iii) Developing and iv) Maturing. Compared with 2021, fewer organisations are in the planning stage and more have shifted towards initiating AI projects. There are also fewer in the Maturing segment. This suggests that more organisations are initiating action on AI initiatives, but there is still opportunity for business leaders to drive action on critical AI initiatives to increase Responsible AI maturity.
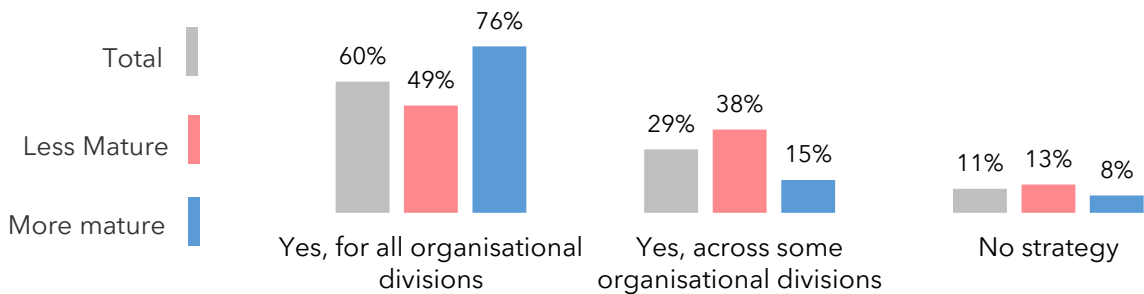
The more mature segments are markedly different in their approach to the development of AI systems reflecting their greater level of experience and a tendency to have the business leadership involved in the organisations overarching strategy for AI.

Planning & Initiating (Less Mature)	Developing and Maturing (More Mature)
• Early stages of AI deployment • Focussed on quickly reaping commercial benefits of AI automation • May have lack of confidence, leadership support and/or knowledge of responsible AI	• Implemented auditing processes for AI and/or developed guidelines for responsible use of AI • Strong focus on the moral and ethical implications of using AI technologies • Strong culture of data protection and security • Use external specialists and advisors

fifth quadrant

ORGANISATIONAL STRATEGY FOR AI

Three-fifths (60%) of organisations surveyed have an enterprise-wide AI strategy that is tied to their wider business strategy, compared with just over a half (51%) in 2021. Around three quarters (76%) of the more mature segments have an enterprise-wide AI strategy..

DO YOU HAVE A STRATEGY FOR THE DEVELOPMENT OF AI THAT IS TIED TO YOUR WIDER BUSINESS STRATEGY?

- Total
- Less Mature
- More mature

|	Yes, for all organisational divisions	Yes, across some organisational divisions	No strategy
Total	60%	29%	11%
Less Mature	49%	38%	13%
More mature	76%	15%	8%

In order to be more mature in responsible AI, the less mature organisations need to transition from opportunistic and tactical AI decision-making to a more strategic orientation.

THE INFLUENCE OF THE CEO

The CEO plays a pivotal role in how organisations implement an effective responsible AI strategy. Having a CEO driving AI strategy ensures accountability and a more strategic AI orientation across the business.

Just over a third (34%) of organisations that have an enterprise-wide AI strategy have a CEO personally invested in driving the strategy, compared with 23% where the AI strategy is tied to some divisions.
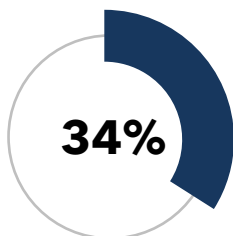
34% of organisations that have **AI strategy tied to all divisions** say their **CEO drives AI strategy**
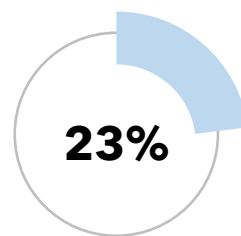
23% of organisations that have **AI strategy tied to some divisions** say their **CEO drives AI strategy**

Organisations where the CEO is responsible for driving the AI strategy have a higher RAI Index score of 66 compared with a score of 61 for those where the CEO is not taking the lead.

Organisations that have the CEO leading the AI strategy are more likely to invest in developing their culture and governance processes so as to elevate RAI practices to a level of standard routine.

66

CEO RESPONSBLE
RAI Index score

61

CEO NOT RESPONSBLE
RAI Index score

fifth quadrant

Most executives agree that their organisation is broadly following the stated intent of the [Australian AI Ethics Principles](#). However, there is a significant gap between perceptions of how AI systems have been designed and perform, and the actions that have been taken to ensure AI systems are developed responsibly.

Agreement With Statements About AI Performance		Principle	Actions Taken	
81%	Our AI systems generate quantifiable benefits to humans, society and the environment that outweigh the costs.	**HUMAN, SOCIAL AND ENVIRONMENTAL WELLBEING**	Identified and assessed the risks and opportunities for human rights.	**22%**
77%	Our AI systems are designed to be human-centered at their core.	**HUMAN-CENTRED VALUES**	Reviewed underlying databases for potential bias.	**23%**
79%	We have robust systems and processes in place to minimise the likelihood of our AI systems causing unfair treatment of individuals, communities or groups.	**FAIRNESS**	Reviewed AI algorithms for potential bias.	**26%**
84%	Our AI systems comply with relevant privacy and security regulations.	**PRIVACY PROTECTION AND SECURITY**	Hired technical consultants or professionals.	**24%**
84%	Our AI systems are designed to be safe and to not harm or deceive people.	**RELIABILITY AND SAFETY**	Monitored outcomes for customers or employees.	**25%**
84%	We are able to transparently show and explain how algorithms work.	**TRANSPARENCY AND EXPLAINABILITY**.	Developed supporting materials to explain the AI inputs and decision-making processes.	**26%**
80%	We have a timely process in place to allow people to challenge the use or outcomes of our AI systems.	**CONTESTABIILTY**	Set up recourse mechanisms.	**23%**
85%	Our leadership can be held accountable for the impact of their AI systems.	**ACCOUNTABILITY**	Engaged your business leadership on the issues around RAI.	**23%**
82%	**Average agreement with statements about AI performance**	58 point gap	**Average of RAI Actions taken**	**24%**

The Index exposes a worrying 'action gap,' with most businesses acknowledging what best-practice AI looks like, but only a minority taking action to ensure their own AI systems are developed responsibly. There is an average gap of 58 points across the 7 AI ethics principles.
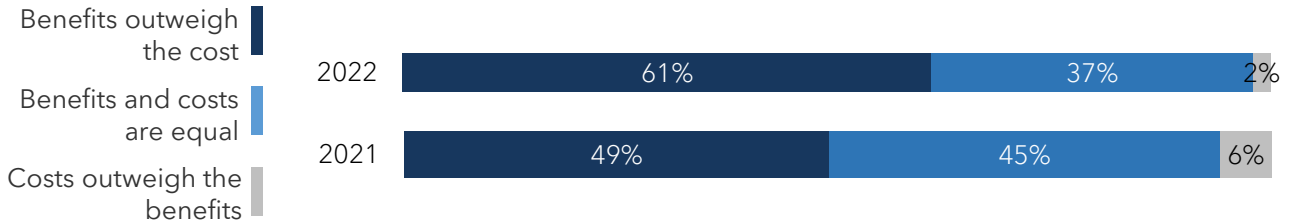
Of particular concern is the reliability, safety and transparency of AI systems with only around a quarter of organisations taking meaningful actions to monitor outcomes and develop materials to explain AI decision making processes.

Responsible AI starts at the top, and encouragingly most executives agree that their organisation's leadership can be held accountable for the impact of their AI systems. However, less than a quarter have engaged the business leadership on the issues around RAI.
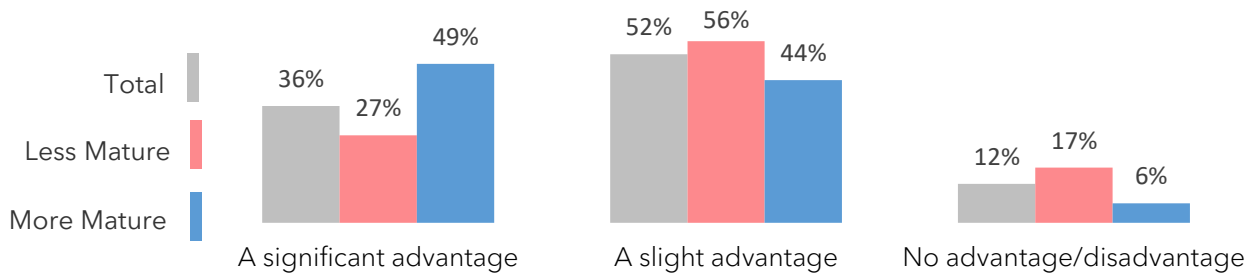
fifth quadrant

Compared with 2021, more organisations now believe the benefits of taking a responsible approach to AI outweigh the costs. AI executives may need resources and support to quantify the benefits of designing and building responsible AI systems in order to build the business case and obtain leadership support.

COSTS AND BENEFITS OF RESPONSIBLE AI

Benefits outweigh the cost

Benefits and costs are equal

Costs outweigh the benefits

	Benefits outweigh the cost	Benefits and costs are equal	Costs outweigh the benefits
2022	61%	37%	2%
2021	49%	45%	6%

Organisations that are more mature in their deployment of Responsible AI, are likely to see significant gains in terms of competitive advantage, with the benefits outweighing the costs.

COMPETITIVE ADVANTAGE OF RESPONSIBLE AI

Total / Less Mature / More Mature

A significant advantage: 36%, 27%, 49%
A slight advantage: 52%, 56%, 44%
No advantage/disadvantage: 12%, 17%, 6%

Organisations may be tempted to make some ethical sacrifices in order to expedite their AI projects and keep pace with competitors. However, the evidence indicates that there are significant returns to be gained from investing in a responsible approach to AI development, including increased competitiveness.

HOW TO BRIDGE THE RAI ACTION GAP

The National Artificial Intelligence Centre has worked with The Gradient Institute, with support from Fifth Quadrant, to conduct a review of responsible AI tools and guidelines. The purpose of the review is to help businesses put the Australian AI Ethics Principles into practice in their organisations. The full report and summary of this review can be downloaded from the NAIC's website. See links below.

To Do Now: We have developed an online tool which you can use to assess your organisation's current ability to develop and deploy Responsible AI. The tool gives you a score which can be benchmarked against other organisations as well as your industry.

NAIC REVIEW OF TOOLS AND GUIDELINES

RESPONSIBLE AI INDEX 2022 FULL REPORT

RAI BENCHMARKING TOOL

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