

ECR-2025-3048

Independent Regulator of Digital Rights							
Party:	Australian Greens						

#### Summary of proposal:

The proposal would create an Independent Regulator of Digital Rights. The regulator would require Digital Rights Impact Assessments for machine learning and other artificial intelligence (AI) technologies that can negatively impact the public.

The regulator would ensure transparency and accountability around how Big Tech uses AI, including algorithms and generative AI, increased access to data held by Big Tech firms, and a chain of accountability for when AI goes wrong or causes harm.

The proposal would be ongoing and commence on 1 July 2026.

Additional information (based on further advice provided):

The regulatory body established would be similar to eSafety, which has 140 full-time equivalent (FTE) staff and a budget of \$50 million per year. Funding would not be indexed.

## Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around \$115.1 million over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects an increase in administered and departmental expenses.

The proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2035-36 is provided at Attachment A.

The estimate is sensitive to the assumptions used, especially in regard to the staffing, structure and costs of establishing and operating the regulatory body. The costing is highly sensitive to the deployment speed of AI technologies, which has not been estimated.

The Parliamentary Budget Office (PBO) has not made any assessment as to whether the specified funding would be sufficient to meet the objectives of the proposal.

Table 1: Independent Regulator of Digital Rights – Financial implications (\$m)<sup>(a)(b)</sup>

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-	-25.1	-40.0	-50.0	-115.1
Underlying cash balance	-	-25.1	-40.0	-50.0	-115.1

<sup>(</sup>a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

2025 Election Commitments Report: ECR-2025-3048

<sup>(</sup>b) PDI impacts are not included in the totals.

<sup>-</sup> Indicates nil.

## Key assumptions

The PBO has made the following assumptions in costing this proposal.

- The fully operational regulatory body would have 140 full-time employees (FTE) and a total budget of \$50 million per year ongoing.
- The regulatory body would scale up over 3 years, with implementation costs in the first year.
  - After the third year, costs would remain constant over the medium-term.
- The ratio between administered and departmental expenses would be the same as for eSafety in 2023-24, and would be constant over time.
- Fines are unquantifiable as it is currently difficult to estimate the extent that organisations will infringe digital rights covered by the regulatory body.
- No funds allocated to a given year would be left unspent.

# Methodology

Total departmental and administered expenses were estimated using the financial statements for eSafety in its 2023-24 annual report.

The staffing costs were estimated based on the assumption of 140 FTE using the PBO's departmental costs calculator, indexed to Wage Cost Index 3 less an efficiency dividend. The staffing profile across classifications was also informed by the staffing profile for eSafety from its 2023-24 annual report.

Financial implications were rounded consistent with the PBO's rounding rules.<sup>1</sup>

#### Data sources

Australian Communications and Media Authority (2024), <u>Australian Communications and Media Authority and eSafety Commissioner annual report 2023–24</u>, accessed 19 May 2025.

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025,* Commonwealth of Australia.

<sup>&</sup>lt;sup>1</sup> https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules

# Attachment A – Independent Regulator of Digital Rights – Financial implications

Table A1: Independent Regulator of Digital Rights – Fiscal and underlying cash balances (\$m)<sup>(a)(b)</sup>

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Revenue													
Administered non-tax													
Fines	-	-	*	*	*	*	*	*	*	*	*	*	*
Expenses													
Administered													
Supplier expenses	-	-2.3	-3.6	-4.5	-4.5	-4.5	-4.5	-4.5	-4.5	-4.5	-4.5	-10.4	-41.9
Total – administered	-	-2.3	-3.6	-4.5	-4.5	-4.5	-4.5	-4.5	-4.5	-4.5	-4.5	-10.4	-41.9
Departmental													
Staffing and establishment costs	-	-20.2	-21.7	-27.5	-27.9	-28.2	-28.6	-28.9	-29.3	-29.7	-30.1	-69.4	-272.1
Supplier and capital expenses	-	-2.6	-14.7	-18.0	-17.6	-17.3	-16.9	-16.6	-16.2	-15.8	-15.4	-35.3	-151.1
Total – departmental	-	-22.8	-36.4	-45.5	-45.5	-45.5	-45.5	-45.5	-45.5	-45.5	-45.5	-104.7	-423.2
Total (excluding PDI)	-	-25.1	-40.0	-50.0	-50.0	-50.0	-50.0	-50.0	-50.0	-50.0	-50.0	-115.1	-465.1

<sup>(</sup>a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

<sup>(</sup>b) This costing includes an unquantifiable aspect.

<sup>\*</sup> Unquantifiable – not included in totals.

Indicates nil.

Table A2: Independent Regulator of Digital Rights – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)(a)(b)(c)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Fiscal balance	-	-0.6	-2.0	-4.1	-6.5	-9.0	-11.7	-14.4	-17.4	-20.4	-23.6	-6. <b>7</b>	-109.7
Underlying cash balance	-	-0.4	-1.7	-3.6	-5.9	-8.4	-11.0	-13.8	-16.6	-19.7	-22.8	-5.7	-103.9

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary.<sup>2</sup>
- (b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.
- (c) This costing includes an unquantifiable aspect.
- Indicates nil.

<sup>&</sup>lt;sup>2</sup> Online budget glossary – Parliamentary Budget Office (pbo.gov.au)