# Case Study: Australia

## About this case study

This case study has been drawn from the report *AI Policy and its Impacts on the Screen Sector Across the Globe,* by the CoSTAR Foresight Lab and prepared by Olsberg·SPI.

The full report examines how artificial intelligence is reshaping the screen sector internationally, drawing on policy analysis, desk research and in-depth consultations across four jurisdictions: Australia, California, Canada and France. It explores the implications of AI adoption for governance, regulation, rights, labour, skills, sustainability and innovation.

This document presents one case study from that research in isolation, highlighting a specific jurisdictional approach and its relevance to ongoing UK policy discussion.

For full context, comparative analysis and UK-focused insights, please refer to the **complete report.**

## Introduction

Australia has an established screen sector with a significant influence on global industry trends. At the time of the publication of this report, Australia has no established set of AI regulations in place; instead, the Government has issued non-binding guidance that stakeholders are encouraged to follow. This case study looks at how the difficulty of defining clear regulations in a rapidly changing technological landscape has led to challenges in ensuring effective collaboration between the private and public sectors. At the same time, the necessity of decisive action was noted during consultations as the country's rich Indigenous cultural heritage, especially that of Aboriginal and Torres Strait Islander peoples, remains at risk of being misrepresented (or indeed, not represented) in emerging AI models.

## Context: Australia's Screen Sector 🎥

Australia has a vibrant screen sector with a large, world-class service industry. Supported by three complementary national incentive programmes (the Producer Offset, the Post, Digital & Visual Effects (PDV) Offset and the Location Offset), with additional State & Territory location incentives available, Australia is a favourable destination for major international productions and smaller, independent films alike, in addition to its own dynamic domestic industry.

The Australian screen sector employed approximately 55,000 people and contributed over £2.97 billion (AU$6 billion) to the Australian economy in 2021/22[1], making it the largest creative contributor in that year. Australian digital and VFX companies have also built a global reputation through their work on productions such as *Kingdom of the Planet of the Apes* (2024), *Mufasa: The Lion King* (2024), *Snow White* (2024), *The Fall Guy* (2024), *Mickey 17* (2025) and *Yellowjackets* (Season 3, 2025). In 2024, three Australian productions – *Furiosa: A Mad Max Saga* (2024), *Withered Blossoms* (2024) and *The Surfer* (2025) – were selected for the 77th Cannes Film Festival. In 2025, Australia was also nominated for Best Animated Feature at the 97th Academy Awards for *Memoir of a Snail* (2025),[2] a testament to the high quality of Australian film professionals and the country's screen sector.

To support Indigenous storytelling, key industry organisations such as Screen Australia and Reconciliation Australia provide significant funding support to Aboriginal and Torres Strait Islander filmmakers and creatives.[3] The establishment of the National Indigenous Television (NITV), owned and operated by Indigenous Australians, also greatly improved the representation of Indigenous Australians on screen. [4] Since 2010, notable works by and about Aboriginal and Torres Strait Islander peoples have been shot and premiered in Australian and global theatres. Examples include fantasy-drama *The New Boy* (2023), Indigenous filmmaker Ivan Sen's popular thriller *Mystery Road* (2013) and its sequel, *Goldstone* (2016); as well as its later remake into a multi-season television series *Mystery Road* (2018–2020), with a spin-off prequel of its own, *Mystery Road: Origin* (2022).

1   *Australian Bureau of Statistics 2021/2022 sector report*. Screen Australia, 2023. Accessible at: https://www.screenaustralia.gov.au/sa/media-centre/news/2023/06-22-abs-survey-results#:~:text=The%20Australian%20screen%20industry%20employed,it%20the%20largest%20creative%20contributor

2   *Celebrating Australian Talent at the 97th Academy Awards*. Ausfilm, 2025. Accessible at: https://www.ausfilm.com.au/news/australian-oscar-nominees-2025/

3   *First Nations – Opportunities for First Nations storytellers*. Screen Australia. Accessible at: https://www.screenaustralia.gov.au/funding-and-support/first-nations

4   *Indigenous Filmmaking: A Short History*. National Film and Sound Archive of Australia, originally published 2011, updated 2023. Accessible at: https://www.nfsa.gov.au/latest/short-history-Indigenous-filmmaking

## Current Policy Concerning AI and the Creative Industries 📄

Australia currently has no specific laws or legislation for AI use in the Creative Industries, nor for AI more broadly. Instead, Australia currently regulates the use (and misuse) of AI technology through other laws, such as the Online Safety Act, Australian Consumer Law, the Privacy Act 1988,[5] and the Corporations Act 2001,[6] in addition to intellectual property laws and anti-discrimination laws. As the technology evolves, so do the laws: an October 2025 statement by Australia's Attorney General ruled out a data mining exception to copyright laws,[7] effectively barring technology companies from using creative works to train their Large Language Models (LLM). The country is now expected to begin a review of its existing copyright framework. Stakeholders, ranging from creative rights associations to media companies, have welcomed the decision.

Australia has also issued non-binding guidelines and policy documents to guide AI development and usage, focusing on ethical considerations and responsible AI deployment. The AI Ethics Principles[8] are designed to ensure AI is "safe, secure and reliable" by achieving secure and reliable outcomes for all Australians. The principles aim to reduce negative impacts, such as the unfair use of data or the perpetuation of societal injustices, and to ensure that AI models are safe, fair, pluralistic, and human-centred in their approach. They also promote transparency and safety in the use of data, helping businesses and governments uphold the highest ethical standards when designing, developing, and implementing AI.

By implementing the AI Ethics Principles, as well as the Voluntary AI Safety Standard[9](which seeks to address similar issues), businesses can begin to develop practices needed for future AI-regulatory environments. While these are currently voluntary, regulatory trends suggest certain principles may become mandatory in the case of organisations using high-risk AI. There have also been several government inquiries to gather recommendations from industry stakeholders about the risks and best practices of AI.[10] [11]

As there have been no screen sector-specific AI regulations to date, sector representatives and industry bodies have instead submitted position papers and written responses to broader government consultations on AI use. One such example is Creative Australia's 2024 submission to the Department of Industry, Science and Resources' proposals paper,[12] containing recommendations for the industry on developing AI models. The Department's paper proposes introducing mandatory guardrails for AI in high-risk settings. In response, the focus of Creative Australia's recommendations is to ensure that policies and guidance for ethical AI cover high-risk settings that may have an adverse effect on culture and creativity, and to ensure that guardrails are enforceable in a global context. In its submission,

5   *Privacy Act 1988*. Australian Government. Accessible at: https://www.oaic.gov.au/privacy/privacy-legislation/the-privacy-act

6   *Corporations Act 2001*. Australian Government. Accessible at: https://www.legislation.gov.au/C2004A00818/latest/text

7   *Questions without notice, Artificial Intelligence*. Attorney-General's Portfolio, 2025. Accessible at: https://ministers.ag.gov.au/media-centre/transcripts/questions-without-notice-artificial-intelligence-27-10-2025

8   *Australia's AI Ethics Principles*. Australian Government. Accessible at: https://www.industry.gov.au/publications/australias-artificial-intelligence-ethics-principles/australias-ai-ethics-principles

9   *Voluntary AI Safety Standard*. Department of Industry, Science and Resources, Australian Government, 2024. Accessible at: https://www.industry.gov.au/publications/voluntary-ai-safety-standard

10   *Select Committee on Adopting Artificial Intelligence (AI)*. Parliament of Australia, November 2024. Accessible at: https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Adopting_Artificial_Intelligence_AI/AdoptingAI

11   *Report 510: Inquiry into the use and governance of artificial intelligence systems by public sector entities - 'Proceed with Caution'*. Parliament of Australia, February 2025. Accessible at: https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Public_Accounts_and_Audit/PublicsectoruseofAI/Report

12   *Introducing mandatory guardrails for AI in high-risk settings*. Creative Australia, 2024. Accessible at: https://creative.gov.au/sites/creative-australia/files/documents/2025-03/Creative-Australia-submission_AI-Mandatory-Guardrails.pdf

Creative Australia states it would support the development of an AI-specific Act, while also calling for consultations to investigate whether generative AI applications that allow the creation of First Nations-like cultural expressions should be investigated or banned. These positions and principles can be reasonably expected to govern future legislation of AI in the screen sector.

Discussions around the establishment of licensing models are underway: a 2025 report by CREATe UK[13] noted that since mid-2024, the number of known commercial agreements globally has accelerated. However, the report goes on to note that it remains unclear how money from these licenses might reach primary creators. Following the Attorney General's October 2025 statement,[14] the Australian's government's copyright and AI reference group was convened to discuss the establishment of a new licensing framework that could replace the existing voluntary regime.

In order to better protect Indigenous cultures, special legislative protective measures have been in place since the 1980s. A key piece of such special legislation is the Aboriginal and Torres Strait Islander Heritage Protection Act 1984 (ATSIHP Act),[15] which enables the Australian Government to protect cultural heritage under threat, if state or territory laws have failed to protect it. The ATSIHP Act allows the government to make special orders (declarations) to protect traditional areas and objects of significance to Aboriginal and Torres Strait Islander peoples from threats of injury or desecration.[16] As Australia continues to reflect on its political history and relationship with First Nations peoples, the screen sector plays a key role in bringing marginal stories to a wider audience. Australia has supported such works through a mixture of funding programmes, Indigenous film festivals, as well as continued investment in its film archive.

With AI's continued development, its use on screen will likely mean an eventual breach of laws protecting the traditional symbols of Aboriginal and Torres Strait Islander peoples.

To combat what one consultee termed "cultural erasure", the Australian government and screen sector professionals have taken a proactive approach in highlighting the importance of protecting the particularities of Australian culture and the Indigenous heritage. Targeted funding opportunities focused on the Creative Industries and AI support this approach. For example, the Explainable Artificial Creativity project,[17] launched in 2022 and running until 2026, is funded by the Australian Research Council's Discovery Projects scheme. With a current funding of £214,000 (AU$431,509), the project aims to develop explainable models for creative AI systems, enabling more productive interactions between them and their human co-creators.

13   *The AI licensing economy*. CREATe UK, 2025. Accessible at: https://www.create.ac.uk/blog/2025/02/24/the-ai-licensing-economy/

14   *Questions without notice, Artificial Intelligence*. Attorney-General's Portfolio, 2025. Accessible at: https://ministers.ag.gov.au/media-centre/transcripts/questions-without-notice-artificial-intelligence-27-10-2025

15   *Aboriginal and Torres Strait Islander Heritage Protection Act 1984*. Government of Australia. Accessible at: https://www.legislation.gov.au/Details/C2016C00937

16   *Indigenous Cultural Heritage Laws*. Department of Climate Change, Energy, Environment and Water. Australian Government. Accessible at: https://www.dcceew.gov.au/parks-heritage/heritage/laws/Indigenous

17   *Explainable Artificial Creativity Grant*. Australian Research Council, 2022-2026. Accessible at: https://dataportal.arc.gov.au/NCGP/Web/Grant/Grant/DP220101223

## Additional Insights from Consultations

The consultees noted that Australia, as an English-speaking country, has low barriers to adopting AI tools and innovations from pioneering US-based labs or companies. This can be advantageous, with Australian data scientists and filmmakers able to easily access cutting-edge AI tools and LLMs without linguistic barriers. However, consultees have also expressed concerns that unmitigated adoption of these tools and models risks creating a situation where models do not account for the rich, contested and nuanced cultural heritage of Australia.

Consultees noted that these LLMs, when adopted without modifications from the US market, risk underplaying the cultural uniqueness and Indigenous heritage and struggle of the country by not being able to provide the nuance that is required for meaningful cultural preservation, conservation and representation.

Consultees shared that one way to conduct discussions around fair use of data and artists' rights is to focus on the protection of copyright instead of loosening regulation in the name of innovation. Treating copyright as a tool to protect and drive progress will enable innovation by giving technology companies a framework to use creative content fairly.

In addition to the challenges around ensuring LLMs "speak Australian", consultees noted the delayed response from the Australian government and public sector stakeholders in regulatory initiatives when it comes to AI. While there is increasingly more attention paid to the effect of AI on the Creative Industries, the Australian government has not yet held any large-scale consultations to assess current sector needs. Consultees said that such engagement from the government would be necessary to overcome policymakers' tendencies to conceptualise the screen sector in terms of traditional models. For example, consultees stated that current policymaking is focused on the protection of intellectual property or the promotion of physical production, instead of translating technological developments into the regulatory landscape. Consultees added that policymakers and governments are more focused on maintaining the current production model using actors and soundstages, rather than recognising the sector's evolution into a software-driven one reliant on data centres, digital infrastructure, and software engineering.

Further, consultees noted that engagement with AI by the Australian government to date has been concentrated primarily within the defence sector. Outside of defence, a light-touch approach has been adopted, with AI integration limited to select administrative and educational applications, such as English language training. Therefore, consultees agreed it would be necessary to broaden the scope of government engagement beyond defence, so that sufficient knowledge of other sectors is available when it becomes necessary to regulate them.

## Key Takeaways 📄

Australia's unique position carries both benefit and risk: by virtue of being a majority English-speaking country, Australia is well-placed to be an early adopter of innovation from US-based and global technology hubs.

Indigenous peoples in Australia are the world's oldest continuous civilisation, and their artistic heritage constitutes a unique form of intellectual property with special legislative protections and cultural significance. Consultees noted the importance of special laws, such as the ATSIHP Act, in protecting Indigenous heritage. However, the risk of cultural erasure remains, with continued effort necessary to safeguard and represent the nuances of Australian culture as well as the cultural intricacies of the various communities living in the country - especially in the case of Aboriginal and Torres Strait Islander peoples'. The Government's approach to protecting this has made the country a leading voice in the debate surrounding bias in LLMs and generative AI models in general.

Consultees also underlined the need for government and the private sector to work together to develop domestic models attuned to the cultural uniqueness of Australia – including, but not limited to, the cultural heritage of its Aboriginal and Torres Strait Islander peoples.

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