

Productivity Commission
4 National Court
BARTON ACT 2600

By submission portal

12 September 2025

Dear Commissioners

Harnessing Data and Digital Technology Interim Report (Report) Submission

Stirling & Rose is a boutique emerging technology law firm and policy institute with deep experience in the subject matter of digital assets, artificial intelligence (AI), smart legal contracts and autonomous organisations. We advise organisations seeking to use AI responsibly, major investors and entrepreneurial organisations operating at the vanguard of emerging technology.

Stirling & Rose welcomes the Productivity Commission's interim report and its emphasis on technology neutral, measured, adaptive legislative response to AI risks. Building on our previous submissions to Australian Government consultations on [Mandatory Guardrails for High-Risk AI](#) and [Safe & Responsible AI in Australia](#), we support a framework centred on developing critical sovereign infrastructure and examining accountability of increasingly capable and agentic AI systems. Our emphasis focuses on establishing the infrastructure and governance structures required to secure productivity gains and build public trust. Where genuine regulatory gaps are identified, we support targeted legislation to address them.

Our recommendations focus on five elements:

1. **AI Taskforce to Identify AI regulatory gaps.** We support Report draft recommendations 1.1, 1.2 and 1.3. We propose an **AI Legislative Taskforce** to examine existing legislation and identify where existing laws may fall short in addressing the harms and risks posed by AI. Identified gaps should be closed through technology neutral regulatory adaption rather than AI-specific regulation.
2. **Australian Data Advisory Committee to Pursue Critical Infrastructure.** We support draft recommendation 2.1. Data control and access is a core requirement in the governmental shepherding of productivity gains and responsible AI outcomes. Democratised access to and the ability to monetise data, (particularly the data that is created by everyday Australians that is currently only monetised by big tech or corporates with monopoly power) should be taken to be a critical income source in an increasingly AI driven economy where information employment opportunities decline.
3. **Democratisation of data markets** Regulatory planning around public and private data rights (including investment in allowing democratised data markets) is foundational to ensuring that access to (critical or relevant) data corpora by Australians is protected, and monopoly style aggregations of corpora are kept in check. We highlight the potential for new digital legal infrastructure (or smart legal contract infrastructure) to establish data provenance and compile quality, authentic and lawful data, capable of commanding a premium price for multifarious purposes including as AI training data. Smart legal contract infrastructure will underpin the creation of new and valuable data assets, thereby enhancing economic activity in the data market and reducing barriers for new participants. We are privy to modelling that suggests that the provision of dedicated Australian infrastructure that supports "smart" legal contracts can deliver an **economic benefit of \$18.22 billion in year five, and a \$42.36 billion economic benefit within a decade.**

4. Smart legal contracts may also manage and enforce data usage rights, licensing and provenance, modernising how stakeholders (including creators, government agencies, Indigenous communities) interact with data.

In furtherance of this critical infrastructure development, we also propose the establishment of an **Australian Data Advisory Committee** to steward smart legal contract infrastructure and **Strategic Data Lakes** – secure, interoperable, high-integrity repositories that serve Australian public interest and support AI innovation - as a form of sovereign wealth. Properly governed smart legal contract infrastructure and Strategic Data Lakes work together to reduce reliance on foreign controlled data for AI models and build rich value for the benefit of all Australians.

5. **Critical Consideration of the Responsible AI Problem.** The Report rightly stresses that productivity gains from AI must be balanced with public trust. A core challenge is the **Responsible AI Problem**. When AI systems cause harm, our current legal doctrines may struggle to allocate responsibility. We cast forward to a future where increasingly capable and agentic AIs operate, change and develop autonomously. A structured exploration of the **Responsible AI Problem**—including proposals to recognise AI as having legal personality, subject to specified conditions as set out in our previous submissions (e.g. registration, financial resources, insurance and effective sanctions for errant behaviour) - should be undertaken with urgency. Agentic systems are already being deployed and are interacting with people and the environment. Australia should not rush to recognition (particularly without nuanced policy examination), but nor should it ignore the issue. Australia has a limited window to consider how it will and can govern such AI systems. That window is rapidly narrowing.

The Report foreshadows a pivotal infrastructure opportunity for Australia. By embedding dual infrastructure of smart legal contracts and Strategic Data Lakes and confronting the Responsible AI Problem, Australia can pursue both AI related productivity gains and the trust of the Australian people.

Yours faithfully

Stirling & Rose

STIRLING & ROSE