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15 June 2026

Dear Commissioner,

KPMG submission: Consultation on Guidance for Transparency in Automated Decision Making

KPMG Australia (KPMG) welcomes the opportunity to provide a submission in response to the Office of the Australian Information Commissioner's (OAIC) consultation on guidance for the automated decision-making (ADM) transparency obligation under Australian Privacy Principle 1.

We recognise that the new obligation, commencing on 10 December 2026, will require APP entities to include information about ADM in their privacy policies where decisions using personal information may significantly affect individuals' rights or interests.

KPMG supports the policy intent underpinning the ADM transparency obligation, namely, to strengthen trust, accountability and informed participation by individuals in an increasingly data-driven economy. However, we consider that further consideration of the guidance is necessary to ensure that it delivers meaningful transparency outcomes in practice, without imposing disproportionate compliance burdens.

We also support the OAIC's distinction between automated decision-making and artificial intelligence, noting that not all ADM systems are AI-driven and that conflating the two may reduce clarity in the guidance.

KPMG considers it important that the OAIC guidance remains closely aligned with the statutory requirements and does not seek to extend obligations beyond what is set out in the Privacy Act.

Scope of the ADM obligation and need for a risk-based approach

KPMG considers that the practical scope of the ADM obligation, as framed, is likely to be extremely broad. The definition of a "computer program" is expansive and captures a wide range of technologies, including common software tools, AI systems and machine learning models.

Further, the obligation extends beyond fully automated decisions to include situations where a computer program performs a function "substantially and directly related" to human decision-making. In contemporary enterprise environments, such functionality is deeply embedded across workflows, systems and decision processes. As a result, most organisational decision-making processes, including routine operational processes, will involve some form of materially relevant ADM.

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Given the increasing ubiquity of computer-assisted decision-making across nearly all organisational processes, a broad interpretation risks rendering disclosure requirements ineffective in practice.

In our view, without further guidance, this creates a risk that:

- Privacy policies become overly lengthy and complex, with extensive catalogues of ADM use; and
- Disclosures become less meaningful to individuals, contrary to the objectives of APP 1.

KPMG considers that the OAIC guidance should focus on circumstances where individuals are most directly affected.

In particular, guidance should support entities to:

- Apply proportionate thresholds to identify when ADM use warrants disclosure, based on the potential impact on individuals rather than simply the presence of a computer program;
- Prioritise high-impact use cases, where decisions can significantly affect rights or access to services (consistent with APP 1.7(b));
- Avoid repetitive descriptions of the same categories of ADM across the policy, while making clear that disclosure should still be required where an ADM use case is high impact, even if it is common, routine or widely embedded in business processes; and
- Group disclosures into clear, intelligible categories rather than exhaustive system-level descriptions.

This approach would align with the OAIC's objective that disclosures be appropriately tailored while avoiding overwhelming levels of detail.

KPMG considers that transparency should focus on meaningful disclosures, where information is sufficiently specific to inform individuals about the nature and context of decision-making, recognising that generic statements (for example, that technologies are used broadly across operations) are unlikely to advance understanding. However, guidance should balance this with appropriate protections to avoid creating uncertainty or unintended litigation risk for entities.

Supporting effective ADM outcomes beyond disclosures

KPMG considers that the OAIC guidance should extend beyond disclosure mechanics to promote substantive safeguards that enhance fairness and accountability in ADM systems.

In our view, the guidance should emphasise three core elements:

(a) Access to review and clarification

Where appropriate, guidance could highlight the importance of APP entities voluntarily offering mechanisms for individuals to seek clarification or review of decisions involving ADM where outcomes have significant effects.

This is consistent with emerging international practice and aligns with community expectations regarding fairness and contestability.

(b) Ongoing review and data quality

Entities should be expected to conduct regular review and testing of ADM systems to ensure data quality and accuracy, consistent with APP 10.

(c) Clarity and accessibility of disclosures

Disclosures should be clear and written in plain language, tailored to the audience, and designed to support understanding and challenge by individuals.

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KPMG strongly supports the OAIC's focus on avoiding technical or legalistic language and ensuring that disclosures are practical and usable in real-world contexts.

We would welcome the opportunity to engage further with the OAIC as guidance is developed.

Yours sincerely

[redacted]
Partner, Privacy & Data Trust
KPMG Australia

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