

# AI in healthcare: Policy must keep pace with innovation

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‘Artificial intelligence has the potential to reshape healthcare delivery, but only if it is introduced in ways that are safe, transparent, and earn the trust of clinicians and patients alike,’ said Australian Healthcare and Hospitals Association (AHHA) Chief Executive Officer, Tony Farley.

‘To get this right, we need nationally consistent frameworks that support innovation while safeguarding patient care and clinical accountability.’

Released today by AHHA Ltd’s Deeble Institute for Health Policy Research, the Perspectives Brief [Advancing AI Integration in Hospitals: An Appendicitis Case-Study Approach](#), uses a key case study of paediatric appendicitis machine learning model to explore how artificial intelligence (AI) can improve diagnostic accuracy, streamline emergency care, and reduce unnecessary procedures; but warns that poor governance and inadequate validation could put patient safety and clinician confidence at risk.

‘This case study shows how AI can help solve real-world clinical challenges but also serves as a reminder that implementation must be grounded in evidence, guided by patient safety, and shaped by frontline experience,’ said Mr Farley.

The Brief emphasises that AI will only be effective if clinicians trust the tools they are being asked to use. It recommends a nationally coordinated governance approach, the mandatory use of Explainable AI (XAI), and greater transparency about how AI systems operate and who is accountable for their outputs.

Validation is equally critical. The Brief highlights the risks of introducing AI tools into healthcare settings without sufficient testing, including the potential for false alerts, unintended outcomes, or loss of trust. It recommends adoption of the SALIENT framework, an Australian-developed, staged model for evaluating AI tools before and after deployment.

‘Australia stands at a pivotal moment in the evolution of healthcare delivery, and we have a critical opportunity to lead this transformation,’ said Mr Farley.

‘What’s needed now is a coordinated national strategy, one that moves beyond fragmented pilot programs to deliver clear governance, validated outcomes, and national mechanisms that support system-wide implementation.’

‘Without deliberate policy action, Australia risks being underprepared to manage both the opportunities and the systemic risks posed by an AI-enabled health system.’

***The Australian Healthcare and Hospitals Association Limited (AHHA Ltd) is the independent peak membership body and advocate for the Australian healthcare system and a national voice for universally accessible, high-quality healthcare in Australia.***

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