Aivy · AI for mid-sized Australian business

2 AUGUST 2026

The AI compliance checklist for Australian businesses

Australia has no AI Act, yet two foreign laws bite on 2 August 2026 and a local privacy clock runs to 10 December 2026.

EU AI Act

reaches you if your AI output is used in the EU

- ☑ AI literacy and banned practices: **already live since 2 Feb 2025**
- ☑ From **2 Aug 2026**: tell people they are dealing with AI and label AI-generated content (Article 50)
- ☑ From **2 Aug 2026**: fines for general-purpose AI providers become exercisable
- ℹ *High-risk system rules proposed to move to 2 Dec 2027, not yet law, verify the Official Journal*

California AI Transparency Act

operative 2 Aug 2026

- ☑ Applies if a public GenAI tool has **over 1,000,000 monthly users** and is reachable from California
- ☑ Publish a free AI detection tool, and embed an invisible disclosure in AI image, audio and video
- ☑ Offer a visible "AI generated" label, and cut off a licensee within 96 hours if disclosures are disabled

Australia

no AI Act, existing law still applies

- ☑ Do not put personal or sensitive data into public generative AI tools (OAIC)
- ☑ By **10 Dec 2026**: disclose automated decision-making in your privacy policy (APP 1)
- ☑ Adopt the Voluntary AI Safety Standard (10 guardrails) as best practice

Does this apply to me? Answer three questions

EU
Does any AI you use send output to people in the EU?

CALIFORNIA
Do you run a public AI chatbot or generator reachable from California?

AUSTRALIA
Do you use AI to make decisions that significantly affect people?

Sources: EU AI Act Article 113 and Article 50, California AB 853, OAIC, Australian National AI Plan.
General information, not legal advice.

aivy.com.au

AI compliance action checklist for Australian businesses

Tick each item that applies. Assign an owner and a date. Reads the same before or after 2 August 2026.

1 Work out which laws reach you

- [ ] Does any AI you use send **output to people in the EU** (assessments, recommendations, generated content)? If yes, the EU AI Act applies (Article 2).
- [ ] Do you have an EU office or establishment that uses AI? You are an EU deployer.
- [ ] Do you place an AI system or AI model on the EU market under your name? You are an EU provider.
- [ ] Do you run a public GenAI feature (chatbot, image, audio or video generator) **reachable from California**? Check the CAITA test.
- [ ] Are you an APP entity under the Privacy Act 1988 (most businesses over A$3m turnover, plus others)?

2 Decide provider vs deployer

- [ ] For each AI tool, record whether you **only use it** (deployer) or **build, brand or substantially modify it** (provider). Duties differ sharply.
- [ ] Flag any tool you white-label or heavily customise: this can turn you into a provider.

3 EU duties already live (since 2 Feb 2025)

- [ ] Run and **document AI literacy training** for staff and anyone operating AI for you (Article 4).
- [ ] Confirm you run no Article 5 prohibited practice (certain social scoring, manipulation, untargeted facial scraping).

4 EU high-risk controls if you deploy one (Article 26)

- [ ] Identify any AI in an **Annex III area** (recruitment, HR, credit, education, essential services, biometrics).
- [ ] Use it per the provider's instructions, assign trained human oversight, and keep auto logs for at least six months.
- [ ] Inform workers and their representatives before deploying high-risk AI at work.
- [ ] Diarise **2 Aug 2026** as the default; check the EU Official Journal in case the Omnibus shifts high-risk to Dec 2027.

5 California AI Transparency Act (by 2 Aug 2026)

- [ ] Measure monthly users: a content-generating system over **1,000,000 monthly users** reachable from California is a covered provider.
- [ ] Publish a free, public **AI detection tool** for your system's output.
- [ ] Embed a **latent (invisible) disclosure** in AI image, audio and video: provider name, system, timestamp, unique ID.
- [ ] Offer users a visible "AI generated" label option.
- [ ] Add disclosure terms to licensee contracts and build a **96-hour revocation** process.

6 Australian duties under existing law

- [ ] Do not enter personal or sensitive data into public generative AI tools; use enterprise tools with proper terms (OAIC).
- [ ] Run a **privacy impact assessment** before deploying AI that handles personal information.
- [ ] Map where AI makes or supports decisions that significantly affect people (hiring, credit, pricing, eligibility).
- [ ] Before **10 Dec 2026**, update your privacy policy to disclose automated decision-making (APP 1.7 to 1.9).
- [ ] Check AI outputs for misleading content (Australian Consumer Law) and discriminatory effects.

7 Governance and exposure

- [ ] Adopt the Voluntary AI Safety Standard (10 guardrails): name an AI owner, keep records, enable human oversight and a contestability path.
- [ ] Size EU exposure on worldwide turnover: up to **35m or 7%** (prohibited), **15m or 3%** (high-risk), **7.5m or 1%** (misleading info).
- [ ] Budget California exposure: **$5,000 per violation**, each day counted separately.

Sources: EU AI Act Articles 2, 4, 5, 26, 50, 99, 113; California AB 853; OAIC; Australian National AI Plan and Voluntary AI Safety Standard. General information, not legal advice.