



Australian Government

Australian Government response to the
House of Representatives Standing Committee on
Employment, Education and Training report:

The Future of Work: Inquiry into the Digital
Transformation of Workplaces

MARCH 2026

This page intentionally left blank

Overview

The Australian Government thanks the former House of Representatives Standing Committee on Employment, Education and Training (the Committee) for its work on the Inquiry into the Digital Transformation of Workplace. The government welcomes the opportunity to respond to the inquiry and acknowledges the submissions that individuals and stakeholders have made and thanks those who have contributed.

The government recognises that digital technologies are reshaping the nature of work and presents both opportunities and risks to workers and employers. With the right regulatory settings, AI adoption has the potential to improve business productivity and deliver better wages, job satisfaction and stability for workers. AI adoption could bring significant changes to Australia's labour market, creating major benefits if managed fairly and inclusively. Workers and those seeking to enter the workforce must be at the centre of the transition to the AI-enabled world of work.

The government is committed to capturing the benefits of AI, spreading the benefits and keeping Australians safe. This means equipping workers with the skills they need for the future, supporting employers to innovate responsibly, and fostering safe, fair and cooperative workplaces where engagement between parties is central.

The rise of digital technologies in the workplace is occurring in parallel with advancements in, and the availability of, automated decision making (ADM) and machine learning techniques commonly referred to as artificial intelligence (AI), which enable new forms of automation and augmentation of tasks done by both workers and managers.¹

As the Committee noted, the adoption of AI and digital technologies has enormous potential benefits for the Australian economy, workers and businesses. These technologies can drive productivity, unlock innovation, and support more efficient and responsive workplaces. However, they also present potential challenges as workplaces and organisations adopt AI technology such as workforce displacement, inequality and skills mismatches.² Responsible, ethical and inclusive technology adoption is key to addressing these risks.

Since the Committee handed down its report, the government has undertaken significant work to develop the National AI Plan (the Plan), which was released on 2 December 2025.³

¹ The terms 'employers' and 'employees' are used throughout this response as a broad reference intended to capture the range of responsible workplace legal entities and workers. This may include independent contractors (such as regulated workers), volunteers, employee-like gig workers, or would-be employees (i.e. job applicants), where applicable. Explanation of specific legal requirements on these different categories should be drawn from the terms and their legal definitions under the relevant legislation.

² Jobs and Skills Australia, Our Gen AI Transition, JSA, 2025, p 7 [Our Gen AI Transition | Jobs and Skills Australia](#)

³ Department of Industry, Science and Resources, National AI Plan, DISR 2025 [National AI Plan | Department of Industry Science and Resources](#)

The Plan is the Australian Government's plan to grow the AI industry in Australia.

The Plan sets out the steps the government will take to support Australia to build an AI-enabled economy that is more competitive, productive and resilient. It aims to make sure that everyone in Australia benefits from the AI opportunity, across all regions, industries and communities.

One of the three key focus areas of the Plan is to 'Spread the Benefits' of AI through promotion of widespread AI adoption, support and training of Australian workers and improved public services. The government will achieve this by continuing to support the responsible adoption of emerging technologies in the workplace, ensuring fairness, inclusion and opportunity. The Plan reflects the government's enduring commitment to dignity at work, equality of opportunity and a future where technology strengthens communities. This response outlines the government commitment to ensuring Australians share in the benefits of AI while managing the risks and keeping Australians safe, and the various initiatives that the government is undertaking to achieve this.

The Plan is a whole-of-government framework, and this response reflects that approach. The Department of Employment and Workplace Relations (DEWR), as lead agency, has coordinated this response across the whole-of-government.

Part 1: Capturing the opportunity

Committee recommendations addressed in this section: 3, 6, 9

The Committee's report draws attention to the potential for AI and ADM to boost economic growth and increase Australia's global competitiveness. Recent research by the Productivity Commission says that AI will likely raise multifactor productivity by at least 2.3% over the next decade, which would correspond to an increase of \$116 billion in GDP. However, these estimates are highly uncertain and are sensitive to assumptions about the proportion of economic activity affected by AI and the productivity gains for affected tasks.

In terms of the impact on jobs, a major report, *Our Gen AI Transition*, by Jobs and Skills Australia (JSA),⁴ published on 14 August 2025, provides Australia's first national, whole-of-labour market study on the potential workforce opportunities and challenges presented by generative AI.

Key findings of the JSA report are that generative AI is more likely to augment (change) human work than replace it. JSA notes the potential for generative AI in Australian workplaces to augment around 55% of tasks and to automate on average 13% of tasks across the workforce, with many roles remaining secure against automation given the capabilities of existing AI technologies. 'White collar' or 'knowledge worker' jobs, particularly entry-level roles, are most likely to evolve, requiring more judgment and oversight of AI-generated outputs.

JSA's report also emphasises that leveraging worker's expertise through co-design could be a valuable part in workplace implementation of AI technology. The report references the University of Sydney's AI Collaborative, which brought together academics, technologists, and students to co-develop approaches to Gen AI use.⁵ This aligns with case studies from across the OECD, which found that worker consultation was often credited as an important factor in the ultimate success of AI implementation projects.⁶

The National AI Plan (the Plan)

The opportunity for AI to enhance existing jobs, create secure, well-paid jobs in future industries, and enable productivity is a central theme of the Plan. The Plan sets out the government's ambition to position Australia as a leader in responsible, inclusive and innovative AI development and adoption.

⁴ Jobs and Skills Australia, *Our Gen AI Transition*, JSA, 2025, [Our Gen AI Transition | Jobs and Skills Australia](#)

⁵ Jobs and Skills Australia, *Our Gen AI Transition*, JSA, 2025, p71, [Our Gen AI Transition | Jobs and Skills Australia](#).

⁶ OECD Social Employment and Migration Working Papers, OECD, 2023, [The impact of AI on the workplace: Evidence from OECD case studies of AI implementation | OECD](#)

The Plan is structured around three goals, with each supported by pillars of action:

- **Capture the opportunity** by building smart infrastructure, backing domestic AI capability and attracting global investment.
- **Spread the benefits** through widespread AI adoption, supporting and training Australian workers, and improved public services.
- **Keep Australians safe** with legislative and regulatory frameworks that mitigate AI harms, widespread responsible practices and international engagement that promotes Australia's values.

To capture the opportunity of AI, the Plan details a range of government initiatives aimed towards building the foundations for a world-class AI ecosystem in Australia. This includes building smart infrastructure and strengthening local tech capability so Australian businesses and researchers can lead in innovation, as well as setting clear and stable conditions to attract domestic and global investment.

The government acknowledges that small and medium enterprises (SMEs) are the backbone of Australia's economy – supporting innovation, creating jobs, and contributing significantly to national productivity. Supporting SMEs to adopt AI is essential to ensure they remain competitive, efficient, and well-positioned to seize emerging market opportunities in an increasingly digital landscape. Many Australian businesses are fast, early adopters of new AI technologies. Over one third of Australian SMEs have adopted AI. Australia also ranks highly in AI use by consumers.⁷

The National AI Centre (NAIC) is Australia's leading government body supporting industry to unlock the benefits of AI. The NAIC provides tailored guidance and direct engagement to help SMEs, not-for-profits, social enterprises and First Nations businesses adopt AI responsibly.

In addition, the government is supporting existing and new investments into Australia's AI ecosystem, including:

- The \$47 million Next Generation Graduates program which trains job ready graduates in skills needed by our AI and emerging technology industries.⁸
- The \$17 million network of government-funded AI Adopt Centres which help Australian SMEs responsibly adopt AI tools by providing free services that help their business grow.⁹

⁷ The National AI Plan, DISR, December 2025 p18.

⁸ Next Generation Graduates Program, DISR, September 2023, [Grant funding to bring AI and emerging technology graduate students into regions | Department of Industry Science and Resources](#)

⁹ AI Adopt Centres, DISR, October 2024, [Be part of the AI revolution with AI Adopt Centres | Department of Industry Science and Resources](#)

- Supporting \$1 billion for critical technologies including AI under the National Reconstruction Fund (NRF), which provides targeted investments to diversify and transform Australian industry.¹⁰

Government as exemplar

As one of the nation's largest employers and a major purchaser of digital and professional services, the government's approach to managing workforce change associated with AI helps to set the direction for AI adoption across the economy.

The AI Plan for the APS (APS AI Plan), announced in November 2025, sets out how government will accelerate safe and effective AI adoption to improve service delivery, policy outcomes and productivity, while building public trust and ensuring change is transparent, inclusive and well managed.¹¹ The APS AI Plan supports the National AI Plan ambition of capturing opportunities, ensuring benefits are shared widely and keeping Australians safe.

Implementation of the APS AI Plan is jointly led by the Department of Finance (DoF), the Digital Transformation Agency (DTA), and the Australian Public Service Commission (APSC).

The APS AI Plan includes initiatives across three pillars – Trust, People and Tools – including initiatives that address workplace transformation by supporting robust governance, workforce capability and consultation:

- Updates to the Policy for the responsible use of AI in government (the AI policy), including a new requirement for mandatory foundational AI training for all staff in agencies subject to the policy.¹²
- Establishing an AI Review Committee to strengthen whole-of-government oversight, supported by strengthened governance including the AI impact assessment tool and updates to cloud and procurement guidance to enhance governance of higher-risk AI use cases and ensure consistent, responsible deployment across the APS. Agencies will appoint Chief AI Officers to accelerate coordinated AI capability across the APS.
- Ongoing capability uplift activities to support diffusion of AI skills, including targeted training for senior leaders shaping responsible AI adoption environments for staff.
- The APSC is working with agencies and unions on the development of a APSC Circular to support consultation on AI-related workplace change, as well as developing an AI-enhanced workforce planning solution to support workforce transformation through identification of emerging roles, skill needs, and opportunities for upskilling and redeployment.

¹⁰ Critical investments, DISR, May 2023, [Investments to grow Australia's critical technologies industries | Department of Industry Science and Resources](#)

¹¹ AI Plan for the Australian Public Service, DTA, November 2025, [AI Plan for the Australian Public Service 2025 | digital.gov.au](#)

¹² Policy for the responsible use of AI in government, DTA, December 2025, [Policy for the responsible use of AI in government - Version 2.0 | digital.gov.au](#)

- Clarifying and strengthening transparency and accountability for external service providers using AI and reinforcing that external service providers remain accountable for the services they deliver regardless of whether AI is used. This includes updates to relevant whole-of-government panel arrangements and the Commonwealth Contracting Suite. This will assist public servants to identify and address supplier misuse or underperformance involving AI, and reinforce the need for human accountability for decisions and outcomes. Over time, this may influence broader supplier practices by reinforcing transparency and accountability expectations in government-funded work.
- By embedding these requirements at scale, the APS provides a practical reference point for how large, complex employers can adopt AI while maintaining workforce trust and accountability.

Part 2: Spreading the benefits of AI

Committee recommendations addressed in this section: 6, 7, 8, 14, 21

Spreading the benefits of AI is a key objective of the Plan and a key theme underpinning many Committee recommendations. Growing Australia's economy and maintaining our international competitiveness is fundamental to this, but specific measures to ensure all Australians share in the benefits of innovation and productivity growth are also needed. Government is pursuing a range of measures to spread the benefits of AI, including to support better, more secure jobs via a strong and resilient labour market.

Support and training for Australian workers

As AI reshapes how Australians work, government support for reskilling and upskilling, career support, and workforce mobility will be essential to build an AI-ready workforce. This is particularly important for groups at higher risk of disruption, including women, First Nations people, mature-aged workers, people with disability, and those in regional areas. The government is taking early action to support workers through this transition, with initiatives underway to boost digital skills, expand training access, and grow an inclusive pipeline of AI-ready workers. For example:

- The National Skills Agreement (NSA) is ensuring the national VET sector provides high-quality, responsive and accessible education and training. Ensuring Australia's digital and technological capability remains an agreed national priority under the NSA, with a new focus area in 2025-26 on maximising the benefits of AI adoption by strengthening VET capacity to support workforce upskilling.¹³
- The 10 Jobs and Skills Councils (JSCs) are a national network of industry-owned and led tripartite organisations funded by the Commonwealth. JSCs collaborate with employers, unions, governments and training organisations to identify and address skills and workforce challenges within their respective industry sectors, including those driven by AI and other emerging technologies.¹⁴
 - JSCs are working to address AI skilling and training issues within their respective industries.
- As the JSC for the finance, technology and business sectors, Future Skills Organisation (FSO)¹⁵ is delivering several initiatives to accelerate the delivery and uplift of AI skills across industry sectors. This includes:

¹³ National Skills Agreement, DEWR, 2025 [National Skills Agreement - Department of Employment and Workplace Relations, Australian Government](#)

¹⁴ Jobs and Skills Councils, DEWR, 2025 [Jobs and Skills Councils - Department of Employment and Workplace Relations, Australian Government](#)

¹⁵ Future Skills Organisation, FSO, 2025 [Home Page - Future Skills Organisation](#)

- To support the Plan’s biannual updates, FSO has been tasked by the government to undertake consultation on AI skills, including consultation with other JSCs, industry, and government departments and agencies.
- The ‘FSO Skills Accelerator – AI’ is a partnership between industry and the VET sector to capture, share and scale best practice AI that brings together the VET sector and industry to expand access to AI skills for VET learners, educators, and administrators.
- The Digital Knowledge Exchange, a national collaboration platform that facilitates the sharing of knowledge and scaling of best practice digital skills initiatives across state and territory governments.
- Developing generalist and specialist AI skills for nationally accredited training products.
- Researching barriers to AI adoption, including those specific to SMEs and priority cohorts.
- JSA is providing evidence-based analysis of labour market trends and skills needs. This includes studies on how generative AI is reshaping job roles.¹⁶
- DEWR is undertaking monitoring of the effect of AI on employment in Australia as part of its economic analysis of the labour market. This work will report on employment trends across occupations that differ in their level of estimated exposure to automation by generative AI tools.
- The Key Apprenticeship Program (KAP) is supporting apprenticeships in high-priority housing construction and clean energy sectors to deliver on key national priorities. Under the KAP, the New Energy Apprenticeship (NEA) stream encourages apprentices to pursue careers in clean energy, which may also support the skills required in sectors to support the development of AI infrastructure.¹⁷
- Through the National AI Centre (NAIC), and in partnership with TAFE NSW’s Institute of Applied Technology - Digital, the government is also offering one million fully subsidised scholarships for an online microskill course based on the Government’s Guidance for AI Adoption, launched in October 2025.¹⁸
- Digital skills are a core component of existing government programs which support skills development for Australian workers, including Employability Skills Training, Career Transition Assistance and Skills for Education and Employment.

¹⁶ Jobs and Skills Australia, Our Gen AI Transition, JSA, 2025, [Our Gen AI Transition | Jobs and Skills Australia](#)

¹⁷ Key Apprenticeship Program, DEWR, 2025 [Key Apprenticeship Program | Australian Apprenticeships](#)

¹⁸ AI Skills Training, DISR, October 2025, [Future-ready workforce: One million Aussies to get free AI skills training | Ministers for the Department of Industry, Science and Resources](#)

- States and territories are being funded to trial GenAI through the Workload Reduction Fund Pilots, reducing workloads for teachers and exploring safe classroom use. The *Australian Framework for Generative AI in Schools* provides nationally consistent guidance to schools and their communities to support the responsible and ethical use of generative AI tools.¹⁹
- The Department of Education (DoE)'s Microcredentials Pilot in Higher Education program (\$18.5 million over 2023–24 to 2025–26), to assist higher education providers design and deliver microcredential courses aimed at upskilling and reskilling workers in priority fields, including health, education, ICT, engineering and sciences.²⁰
- eSafety, in partnership with Safe Work Australia, have developed resources to help workers understand online abuse and how to create a safer online workplace.²¹
- The Australian Government has purchased a whole-of-country licence to SFIA (Skills Framework for the Information Age) enabling Australian entities to use SFIA for recruitment and employee development purposes.
- The Australian Government has developed Career Pathfinder, an application that can be used by all Australians to help guide people from low-demand careers to high-demand careers.

The government recognises the significant impact that job loss and redesign can have on workers, their families and communities, and is committed to ensuring affected employees receive timely and comprehensive support. This is a shared responsibility and the government will continue to work collaboratively with states, territories, employers and unions to facilitate retraining and restructuring options, support, and other resources to assist employees who have had their roles impacted by AI.

Strengthening collaboration

Unions, industry, employers will play a critical role ensuring that workers are prepared for and benefit from AI-driven shifts. Workers' voices and union engagement must guide decisions on technology adoption to ensure fairness and protect rights. Realising the productivity gains of AI depends not only on smart implementation but also on trusted and inclusive adoption. Realising the potential benefits of AI is highly dependent on workers.²² Research shows worker engagement results in better outcomes for organisations and their workforce, with

¹⁹ Australian Framework for Generative Artificial Intelligence in Schools, Education, June 2025, [Australian Framework for Generative Artificial Intelligence \(AI\) in Schools - Department of Education, Australian Government](#)

²⁰ Microcredential Pilot in Higher Education, Education, August 2024, [Microcredentials Pilot in Higher Education - Department of Education, Australian Government](#)

²¹ Workplace bullying and harassment: referral and support services, eSafety Commissioner, 2025, [Online Bullying at Work: Advice for Workers | eSafety Commissioner](#)

²² Jobs and Skills Australia, Our Gen AI Transition, JSA, 2025, [Our Gen AI Transition | Jobs and Skills Australia](#)

organisations that engage workers more likely to realise the productivity gains of AI over the next decade.²³

Cooperative workplaces where employers and workers engage in early, genuine and ongoing consultation will be essential to ensuring that the adoption of artificial intelligence delivers productivity gains in ways that maintain fairness, transparency and safety.

The government is committed to working collaboratively with stakeholders—including businesses, unions, workers, and experts—to guide the responsible and inclusive adoption of these technologies.

- **The National Workplace Relations Consultative Council (NWRCC)** provides a forum for representatives of the Commonwealth, employers and employees to consult on workplace relations matters of national importance.
- **The Artificial Intelligence Employment and Workplace Relations Working Group (AI Working Group)**, was established by NWRCC to facilitate open dialogue between government, employer organisations, worker organisations, academia and the technology sector on the potential impacts of AI on the Australian labour market and workplaces.
- **Safe Work Australia (SWA)** is the national policy body responsible for developing and evaluating Australia’s model work health and safety (WHS) laws. The model WHS laws have been adopted in all jurisdictions except Victoria, though Victorian WHS laws have similar duties. SWA is a tripartite body comprising representatives from all jurisdictions, unions and employer groups.
- **The Workplace Relations Meeting of Ministers, WHS Meeting of Ministers**, and DISR’s bimonthly **State and Territory AI roundtable**, are forums which explore responses and shared interests between the Commonwealth and State and Territories.
- **The Fair Work Ombudsman’s (FWO) standing Advisory Group and priority area reference groups** help inform the FWO’s work and provide a forum for consultation and collaboration between the FWO and representatives of employer and employee organisations.

²³ University of Technology Sydney, [From Invisible to Involved: A Guide to Worker Engagement on AI, 2025](#).

Part 3: Keeping Australians safe

Committee recommendations addressed in this section: 1 to 7, 10 to 21.

Alongside the Committee, the government recognises that preventing and mitigating the harms of AI is essential to building public trust and confidence in AI applications and upholding Australians' rights, including those in the creative fields.

While AI offers broader opportunities to address skill shortages, improve workplace safety, and create higher-quality jobs, its impact is not uniform, with worker cohorts, occupations, business sectors, and industries experiencing both positive and negative effects. Workplace uses of AI bring concerns in areas such as transparency and accountability, harms from poor automated decision making, workplace surveillance, work intensification, discrimination and impacts on vulnerable cohorts.

AI technologies are already embedded across the economy, and it is essential that Australia's regulatory approach protects Australians from AI related harms. Australia has strong protections in place to address many risks, but the technology is fast-moving and regulation must keep pace. The government's regulatory approach to AI will continue to build on Australia's robust existing legal and regulatory frameworks with established laws providing the foundation for addressing and mitigating AI-related risks. These frameworks are actively enforced and continuously adapted to emerging risks. Agencies and regulators will retain responsibility for identifying, assessing, and addressing potential AI-related harms within their respective policy and regulatory domains. These laws include economy-wide laws on privacy, administrative law, online safety and criminal law, corporations' law, intellectual property, WHS, workplace relations, competition and consumer protection, and anti-discrimination.

Cross-government regulatory measures

In parallel with existing legal mechanisms responding to current and emerging harms, the government is actively progressing a range of measures that provide guidance to regulators as well as AI developers and businesses deploying AI products in workplaces. These include:

- **The AI Safety Institute**, being established in 2026, which will monitor, test and share information on AI technologies, assisting Ministers, agencies, and regulators to ensure Australia's laws keep pace with AI developments to protect people and businesses.²⁴
- **A Review of Artificial Intelligence and the Australian Consumer Law** by the Department of Treasury which found Australians enjoy the same strong consumer

²⁴ AI Safety Institute, DISR, November 2025, [Australia to establish new institute to strengthen AI safety | Department of Industry Science and Resources](#).

protections for AI products and services as they do for traditional goods and services.²⁵

- **The *Online Safety Act 2021*** which protects Australians from technology-facilitated harms and is enforced by the Office of the eSafety Commissioner. The government has also committed to legislating a Digital Duty of Care on online services to help prevent serious online harms.
- **Providing certainty to Australian creators** by making it clear it is not considering text and data mining exception in Australian copyright law. The Attorney-General's Department is continuing to engage with stakeholders through the Copyright and AI Reference Group, having sought their feedback between October and December 2025, on priority areas relating to Australian copyright laws and AI.²⁶
- **Reforms to the *Privacy Act 1988*** which are being implemented by the Attorney-General as part of the government's commitment to achieving the right balance between protecting people's personal information and allowing it to be used and shared in ways that benefit individuals, society, and the economy.²⁷

Workplace relations regulatory frameworks

The Committee's report raises a range of issues concerning the impact of AI in Australian workplaces. These issues are covered by existing workplace relations regulatory frameworks, including the *Fair Work Act 2009* (Fair Work Act) and WHS laws. These laws are principle-based and designed to be technologically neutral. They set out obligations on employers and organisations, provide worker protections and regulate work health and safety. These frameworks are designed to be flexible and accommodate new technologies and ways of working. However, particularly as AI adoption becomes more widespread and deeply integrated, further analysis and consultation is required to ensure legal protections remain effective in practice in maintaining fair, safe and cooperative workplaces. In addition to continued monitoring of these frameworks, increasing workplace participants' knowledge and understanding of the application of workplace laws will help to support compliance and prevent or mitigate potential harms.

- **Responsibility, accountability and transparency:** The use of an AI system, including automated decision-making, does not change employers' legal duties under the Fair Work Act or WHS laws. Employers and persons conducting a business or undertaking (PCBUs) remain accountable for decisions affecting employees, are responsible for managing health and safety risks, and cannot shift liability to AI systems. Existing

²⁵ Review of AI and the Australian Consumer Law, Treasury, October 2025, [Review of AI and the Australian Consumer Law | Treasury.gov.au](#)

²⁶ Copyright and Artificial Intelligence Reference Group, AGD, December 2025, [Copyright and Artificial Intelligence Reference Group \(CAIRG\) | Attorney-General's Department](#)

²⁷ Government response to the Privacy Act Review Report, AGD, September 2023, [Government response to the Privacy Act Review Report | Attorney-General's Department](#)

requirements for consultation which supports transparency and safe systems of work continue to apply. Where AI carries risks to health and safety, transparency is required in practice through consultation with workers and representation requirements and rights under WHS laws. In addition to the primary duty of care placed on PCBUs, WHS laws also require upstream duty holders²⁸ to ensure, so far as reasonably practicable, that plant, substance or structure (including software) are made without risks to the health and safety of people who use them.

- **Consultation and workplace change:** Consultation, including co-design, can support employers and employees to capture the benefits of AI in safe, fair and cooperative workplaces. Under the Fair Work Act, employers must consult with employees and unions in a range of circumstances, this includes changes to rosters or hours of work, significant workplace changes which could include AI and ADM technologies introduced in the workplace and dismissals of 15 or more employees for reasons of an economic, technological, structural or similar nature. FWO's website contains guidance for managers and employers on consultation and cooperation in the workplace.²⁹ Additional consultation requirements may be agreed through enterprise bargaining or Fair Work Commission (FWC) processes, including reviews of modern awards undertaken on application and periodically. WHS laws also require consultation with workers on health and safety risks that may arise, including those from AI introduction and use in workplaces.
- **Discrimination and bias:** Under the Fair Work Act, it is unlawful for an employer to take adverse action against an employee because of a protected attribute, irrespective of the use of AI. Adverse action can include discriminating between the employee and other employees or refusing to hire a prospective employee. If a claim is brought against an employer, the employer will bear the onus of proving that adverse action was not taken for the alleged reason. WHS laws require that PCBUs ensure the health and safety of workers and others in the workplace, so far as reasonably practicable. This includes managing potential psychosocial risks related to discrimination and bias that may arise from the use of AI.
- **Redundancy and worker transitions:** Redundancy provisions under the Fair Work Act apply to AI-related redundancies. While there is currently little evidence of significant effects from AI on Australia's job market, the government is closely monitoring AI-related job loss and the impacts of AI-related workforce transitions, including through employer notifications of dismissals of 15 or more employees for prescribed reasons.
- **Workplace surveillance:** WHS laws require PCBUs to manage health and safety risks for workers and others in workplaces, including those from workplace surveillance

²⁸ The term upstream duty holder refers to a designer, manufacturer, importer, supplier, installer of products or plant used at work.

²⁹ Consultation and cooperation in the workplace best practice guide, FWO, [Consultation and cooperation in the workplace best practice guide - Fair Work Ombudsman](#)

and privacy. Ongoing consultation about the introduction and use of digital technologies in the workplace is also required with workers when risks to health and safety may be introduced. Psychosocial hazards that may arise from the use of intrusive surveillance at work include low job control (for example by setting an expectation that employees must be ‘always on’), and poor organisational justice (for example, selective use of surveillance in performance management).

Under the Fair Work Act, workplace surveillance is a non-excluded matter. This means that the power to regulate workplace surveillance matters generally remains within the remit of the states and territories. Examples of state and territory law include the *Workplace Surveillance Act 2005* (NSW), *Surveillance Devices Act 1999* (Vic), and *Workplace Privacy Act 2011* (ACT).

- **Privacy:** Privacy is regulated under the Privacy Act through the Australian Privacy Principles which apply to the handling of personal information by regulated entities and a statutory tort for serious invasions of privacy. The government is considering what reforms to the Privacy Act are needed to achieve the right balance between protecting people’s personal information and allowing it to be used and shared in ways that benefit individuals, society, and the economy. In addition, the FWO’s website contains guidance for employers and managers on the Australian Privacy Principles and obligations when handling employees’ personal information.³⁰
- **Change management, job redesign and work intensification:** The WHS risks related to change management, job redesign and work intensification are regulated by the WHS laws. Other rights in the workplace relations framework protect against unreasonable working hours.

The government is continuing to monitor potential harms from AI and will consider further adjustment or guidance to ensure workplace relations frameworks maintain fair, safe and cooperative workplaces. This work is being carried out by DEWR in collaboration with tripartite stakeholders, and other Commonwealth agencies, including DISR, and their recently established AI safety institute, SWA, FWC, FWO, and state and territory governments. This work includes several priority activities:

- As part of the National AI Plan, the Minister for Employment and Workplace Relations has committed to continuing tripartite arrangements with respect to AI’s impact on the labour market. This work will bring together key stakeholders across the labour market to work collaboratively towards Australia’s AI objectives including addressing skills, training, worker and workforce transitions and strengthening workplace relations settings.

³⁰ Workplace privacy best practice guide, FWO, [Workplace privacy best practice guide - Fair Work Ombudsman](#)

- **DEWR is progressing a regulatory analysis of workplace laws**, in consultation with stakeholders, with a focus on making sure regulatory settings are responsive to the risks of AI and ensuring they continue to create fair, safe and cooperative workplaces.
- **SWA** is undertaking a Best Practice Review of the model WHS laws, which is due to provide a final report to WHS ministers in mid-2026. The opportunities and impacts of using AI in the workplace is being considered as part of the Review, and any recommendations will be provided for Ministers' consideration in the final report. SWA is also examining the 'designer duties' under the model WHS Act to ensure risks from the design of software, including AI, are captured and a proposal for a new duty to improve work health and safety for workers using crowd platforms.³¹
- **An inquiry into the operation and adequacy of the National Employment Standards (NES)** in the Fair Work Act was adopted by the House of Representatives Standing Committee on Employment, Workplace Relations, Skills and Training on 27 November 2025, following a referral from the Minister for Employment and Workplace Relations, the Hon Amanda Rishworth MP. This inquiry will include an examination of the extent to which the NES are fit for purpose, having regard to the changing nature of work.³²
- **Review of the Closing Loopholes legislation:** An independent statutory review is currently being undertaken into the operation of both Closing Loopholes Acts. These Acts include a range of measures which ensure Australia's workplace relations frameworks remain fit for purpose and meet the demands of modern workplaces, for example protections for 'employee-like' workers in the gig economy.³³

Helping businesses understand their obligations

The government acknowledges and supports the Committee's recognition that business software and regulation technologies (RegTech) are important to helping improve regulatory compliance in the workplace relations system and in supporting business efficiency. As the Committee observes, AI systems, when developed and deployed appropriately, can enhance business efficiency and make it easier for employers and employees to navigate and implement workplace relations responsibilities.

The government is continuing to promote innovation and support compliance in Australian workplaces. This work reinforces the government's commitment to cooperative workplaces,

³¹ Best Practice Review, SWA, December 2025, [Best practice review: shaping the future of Australia's WHS model laws | Safe Work Australia](#)

³² Inquiry into the operation and adequacy of the National Employment Standards, Parliament of Australia, February 2026, [Inquiry into the operation and adequacy of the National Employment Standards – Parliament of Australia](#)

³³ Review of the Closing Loopholes Acts, DEWR, 2026, [Review of the Closing Loopholes Acts - Department of Employment and Workplace Relations, Australian Government](#)

where employers and employees have access to practical tools, clear guidance and inclusive consultation to support compliance. This includes:

- The **Workplace Relations Usability Challenge**, under the Business Research and Innovation Initiative (BRII) grants led by DISR, the government has provided funding to develop prototype digital solutions with the aim of assisting employers and workers apply relevant modern award obligations.³⁴
- The **NAIC's Guidance for AI Adoption** which sets out 6 essential practices for responsible AI governance and adoption. The guidance is designed to enable organisations to:
 - build trust with stakeholders
 - benefit from AI adoption while managing the risks
 - build public confidence in adopting AI
 - navigate the complex governance landscape for AI.³⁵
- eSafety, in partnership with Safe Work Australia, have developed resources to help employers, businesses and organisations understand online abuse and how to create a safer online workplace.³⁶

³⁴ Workplace Relations Usability Challenge, DISR, October 2023, [Business Research and Innovation Initiative \(BRII\) – Workplace Relations Usability Challenge | business.gov.au](https://business.gov.au/brii-workplace-relations-usability-challenge)

³⁵ Guidance for AI Adoption, DISR, October 2025, [Guidance for AI Adoption | Department of Industry Science and Resources](#)

³⁶ Online abuse in the workplace employer information, eSafety Commissioner, 2025, [Prevent online workplace bullying | Employers guide | eSafety Commissioner](#)