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Chalmers Balances AI Policy Between Unions and Business

August 6, 2025

– Categories: Politics & Government



Treasurer Jim Chalmers advocates a balanced approach to artificial intelligence (AI) regulation, aiming to harness economic benefits while addressing union concerns about job security ahead of the August 2025 productivity roundtable.

Federal Treasurer Jim Chalmers is navigating a delicate balance between business interests and union demands as he shapes Australia’s approach to artificial intelligence (AI) regulation ahead of the Economic Reform Roundtable from August 19-21, 2025. The Australian Council of Trade Unions (ACTU) has pushed for stringent measures, including

mandatory AI Implementation Agreements to protect jobs, while business groups advocate for light-touch rules to foster innovation. Chalmers, speaking in Canberra on August 6, 2025, described AI as a “game-changer” for productivity but emphasized a “sensible middle path” to maximize economic gains without neglecting worker protections, according to The Nightly.

The Productivity Commission’s recent report estimates AI could add \$116 billion to Australia’s economy over the next decade, a figure Chalmers cited to highlight its potential. However, he acknowledged risks, including job displacement, with the World Economic Forum projecting 9 million global job losses due to AI. “The goal is to ensure workers benefit, not become victims of technological change,” Chalmers told ABC Radio, referencing the need for retraining programs to adapt skills to AI-driven workplaces. The Australian Financial Review noted his stance aligns more with business, favoring minimal regulation to avoid stifling growth, a position echoed by Commissioner Stephen King, who warned against “heavy-handed” rules.

ACTU Assistant Secretary Joseph Mitchell argued for enforceable agreements, stating that companies without worker consultation on AI should be ineligible for government funding, per InnovationAus. Conversely, business leaders, including the Business Council of Australia (BCA), urged streamlined regulations to boost investment, with Chalmers noting 70% of Australian firms already use AI, per InvestorDaily.

The roundtable, with 900 submissions received, will address these tensions, focusing on productivity, resilience, and budget sustainability. Chalmers’ \$900 million National Productivity Fund and National AI Capability Plan aim to drive growth, but critics argue the government risks overpromising on AI’s benefits while underfunding retraining. As Chalmers seeks consensus, the debate underscores the challenge of balancing innovation with job security in a rapidly evolving economy.