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HEAVY-HANDED AI RULES SET TO SLUG NSW BUSINESS

The NSW Government is being urged to further consult with the business community on a plan to give unions access to highly sensitive digital systems

The Work Health and Safety Amendment (Digital Work Systems) Bill 2025 threatens to dump a heavy new regulatory load on hundreds of thousands of NSW businesses.

Marketed as a safety measure, the proposal would allow WHS entry permit holders – including union officials – to access employers’ “digital work systems” while investigating suspected breaches.

These systems include businesses’ AI and automation tools, basic scheduling software and company emails.

“NSW should not charge ahead of the rest of the country with heavy-handed rules on AI in the workplace,” Business NSW CEO Daniel Hunter said.

“Business NSW strongly backs nationally consistent WHS laws. Pushing this legislation through would break from national WHS harmonisation and impose an even greater administrative burden on businesses.

“The NSW Opposition, together with the Australian Chamber of Commerce and Industry (ACCI) and others in the business community have rightly raised significant concerns with this bill.

“The NSW Government must be focused on cutting red tape, not creating more.

“That’s why Business NSW signalled the alarm of business more than two months ago.

“Together with other industry groups, we called for consultation and emphasised the need for nationally consistent laws, not ad hoc state-based intervention.”

Business NSW is calling on the NSW Government to:

- Reaffirm its commitment to the *Intergovernmental Agreement for Regulatory and Operational Reform in Occupational Health and Safety*, with deviations relating to NSW-specific issues only.
- Delay passage of the legislation to allow for proper consultation to occur, including consulting with business on the guidelines for how these new powers would be exercised
- Limit powers to access and inspect digital work systems to only SafeWork NSW Inspectors. The NSW Government has recently appointed 51 new WorkSafe inspectors at a cost of \$127m
- Embed a one-year statutory review with a report to Parliament on the effectiveness and impact of the digital work systems provisions.

About Business NSW

Formerly the NSW Business Chamber, ***Business NSW*** is the peak policy and advocacy body which has been representing businesses in NSW since 1826. We represent almost 50,000 businesses.

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