



SDA SUBMISSION TO

House of Representatives Standing Committee on Employment, Education and Training Inquiry into the Digital Transformation of Workplaces

Date Submitted: 28 June 2024

Submitted by: Gerard Dwyer
National Secretary-Treasurer



About the SDA



The Shop, Distributive and Allied Employees' Association (the SDA) is one of Australia's largest trade unions with over 200,000 members. Our members work in retail, warehousing, fast food, hairdressing, beauty, pharmacy, online retailing, and modelling.

The majority of SDA members are women (60%), under 35 years (57%), and low-income. Retail and food services are two of the three lowest industries for median weekly earnings.

The SDA has a long history of advocating on behalf of members. We do this through enterprise bargaining; making submissions regarding Awards and the NES to provide a relevant safety net; and through numerous submissions made to parliamentary and government inquiries and other important reviews.

The SDA has 10 policy principles that guide our engagement in these reviews. For a list of these, see Appendix A.



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Executive Summary

Artificial Intelligence (AI) is revolutionising the nature of work and the ways in which our society, economy and even geopolitics function. Automated decision making and machine learning techniques have potentially major benefits for productivity, wealth, and living standards in Australia.

If harnessed properly and fairly, AI and automation will allow Australia to increase productivity understood in its most economic form: the amount of goods and services produced (output) with the amount of inputs used to produce those goods and services, leading to lower costs for producers, lower prices for consumers and higher disposable incomes which can each drive increases in aggregate demand.

However, Australia is missing out on many of the job-creating and productivity benefits AI enables, while our competitors race ahead. There are also the benefits accruing to a potentially lower cost of capital effect. With respect to national security, AI-led defence investment is crucial and shaping government policy.

It is imperative that productivity gains be shared fairly. That is not only a matter of equity and enhanced economic performance but one of political cohesiveness.

This submission, prepared with the assistance of the John Curtin Research Centre, outlines some conditions in which the digitisation of the workplace can result in a fairer system of work, including that

- institutions need to respond to rapid economic change,
- the benefits need to be shared through
 - improved opportunities for developing skills and
 - improved workplace wages and conditions,
- legislation that is responsive to the human impact and acknowledges the pace of change,
- workplaces need a culture of embracing AI for augmentation, not replacement, of work.

Recommendations

AI includes a wide range of technology and will need a whole-of-society response. We thus make the five following recommendations, some less prescriptive than others, but each with the aim of ensuring that the digital transformation of work and workplaces, especially AI, is made to work in the interests of working people.

1. Invest in institutions that ensure fair outcomes during a phase of very rapid economic change

Institutions such as the Competition and Consumer Commission, the Fair Work Commission alongside the National Minimum Wage, Safe Work Commissions, Discrimination Commissions, anti-corruption agencies and other regulatory agencies, and even diverse public-interest journalism, a strong public education system, and accessible public health care all contribute to an efficient, fair, well-functioning economy.

In a period of very rapid technological change, a full-employment target can also help ensure that new technology such as AI is embraced in a labour-augmenting way rather than a primarily labour-replacing way. Our economy should aim to do more, not simply do the same as we're doing now but with much less employment.

2. AI skills training as part of life-long learning

The idea that life is divided into being a student and then being a worker is no longer fit for purpose: Australians will need to embrace life-long skills training and education, with varying levels of formality. This will require deep-seated cultural change, but the government can facilitate it by supporting the supply of relevant skills training, and by encouraging AI skills acquisition in the public service.

In particular, AI training should be developed for regulators and civil servants, including judges and other institutions where ignorance of AI could cause problems.

3. Industrial relations and workplace rights

The implications of AI for industrial relations need to be considered thoroughly. AI can make workplaces safer. It can especially help identify problem customers through facial recognition while ensuring staff and customer privacy. But there are challenges that need to be addressed, especially around the use of AI for rostering, communications with workers and surveillance. The use of AI in the workplace must involve formal consultation

with workers and their representatives and this should be mandatory, that is, written into law and enterprise bargaining agreements.

4. Accountability: legislation supported by agency and accountability

Old systems of transparency will not work with AI because the complexity is too great. We urgently need to develop new methods of accountability. This should begin with a culture of understanding human agency and accountability.

5. Embrace the full range of AI technology

Invest in AI beyond just generative language models: voice recognition, language analysis, image generation and processing, spatial awareness, logical decision making, task-oriented agents. Each of these are all components of the AI revolution. Australia should embrace the full spectrum of this change with eyes wide open, including by investing substantially in research and development.

Shop, Distributive and Allied Employees' Association Submission to the House Standing Committee on Employment, Education and Training Inquiry into the Digital Transformation of Workplaces¹

The Shop, Distributive and Allied Employees Association (SDA) welcomes the opportunity to make a submission to the House Standing Committee on Employment, Education and Training into the Digital Transformation of Workplaces which will inquire into and report on the rapid development and uptake of automated decision making and machine learning techniques in the workplace.

Artificial Intelligence (AI) is revolutionising the nature of work and the ways in which our society, economy and even geopolitics function. AI is the core technology that is driving the next industrial revolution – often termed Industry 4.0. Eric Schmidt, former Chief Executive Officer and Chair of Google wrote in *Foreign Affairs* in 2023 about the revolutionary power of AI: “Developments in artificial intelligence in particular not only unlock new areas of scientific discovery; they also speed up that very process. Artificial intelligence supercharges the ability of scientists and engineers to discover ever more powerful technologies, fostering advances in artificial intelligence itself as well as in other fields – and reshaping the world in the process. The ability to innovate faster and better – the foundation on which military, economic, and cultural power now rest – will determine the outcome of the great-power competition between the United States and China”.² For Schmidt, the power of AI lies in its status as a “foundational technology”; its generative nature is a platform upon which continuous scientific and technological innovation occurs, in turn stimulating more innovation as the technology expands. These AI systems, he writes, “will be able to produce breakthrough innovations in other emerging fields, from synthetic biology to semiconductor manufacturing ... and countless future developments in drug discovery, gene therapies, material science and clean energy.” So far, so good.

Yet, as regards this submission's key focus, for workers and our workplaces, we know from historical examples and theoretical literature that technical change can be either labour augmenting or labour replacing, and that which of those prevails, or at least dominates, will have

¹ This submission was prepared with the assistance of the John Curtin Research Centre.

² Eric Schmidt, 'Innovation Power. Why Technology Will Define the Future of Geopolitics', *Foreign Affairs*, March/April 2023, <https://www.foreignaffairs.com/united-states/eric-schmidt-innovation-power-technology-geopolitics>

significant impacts on wages, employment, quality of life, and inequality. The workforce impact of AI will be akin to the impact of computers and the Internet. Most future jobs will have an AI aspect, some jobs will disappear, and new jobs will be created. Eventually it will be unimaginable to work without AI (for comparison owning and using a smart phone in daily working life).

This submission adopts neither a techno-utopian view of AI ushering in a golden age of economic prosperity and work free life, nor, in Luddite terms, see it as some Terminator-like job killer which will wreak economic and social chaos. Indeed, automation is an old phenomenon, entailing the ability of machines to perform jobs typically performed by humans – such as the advent of the car displacing thousands of jobs in shovelling manure from streets in the age of the horse and carriage. Still, especially because of the role of trade unions, post-industrial revolution era jobs were better paid and more numerous. Focusing on the relatively few jobs lost in a bygone era can therefore often be misguided. Indeed, AI, a term first coined in 1955, is closely associated with an industrial process that has been working its way through production and supply chain operations over a far longer historical period, automation, itself a process steadily increasing since the 1st Industrial Revolution of the eighteenth century in Britain, continental Europe, and North America. Current Treasurer Jim Chalmers expressed a nuanced view of the pros and cons of technological change well in his co-authored book with Mike Quigley *Changing Jobs: the Fair Go in the Machine Age*: “There is tremendous upside to technological change. It has the potential to improve lives and wellbeing, save time and effort and help combat, if not overcome, so many of the obstacles to a good life in a thriving society. But agreeing that technological changes can improve living standards does not mean dismissing the real fears that people have about where, or *whether*, they fit in a workforce increasingly dominated by machines.”³ It is therefore imperative for government, policymakers and other stakeholders, including organised labour, to cast a critical eye over AI technological change and understand the levers available to ensure that this change supports workers and communities rather than leaves them behind. As Australia’s largest union covering private sector employees, many working at the coalface of this change, our submission is particularly attuned to the key issues set out in the terms of reference, each of which touches on the concerns of working people. Below, this submission makes several observations with respect to key reference points and five recommendations at its end for consideration.

³ Jim Chalmers and Mike Quigley, *Changing Jobs: the Fair Go in the Machine Age*, Redback Quarterly, Melbourne, 2017, p. 6.

Benefits for productivity, skills, career progression and job creation

Automated decision making and machine learning techniques have potentially major benefits for productivity, wealth, and living standards in Australia. One Google-commissioned study estimates that successful application of AI and automation could boost the Australian economy by \$2.2 trillion by 2030.⁴ If harnessed properly and fairly, AI and automation will allow Australia to increase productivity understood in its most economic form: the amount of goods and services produced (output) with the amount of inputs used to produce those goods and services, leading to lower costs for producers, lower prices for consumers and higher disposable incomes which can each drive increases in aggregate demand.

Australia is missing out on many of the job-creating and productivity benefits AI enables, while our competitors race ahead, as discussed in a 2019 John Curtin Research Centre discussion paper. (We produce just 100 AI postdoctoral students a year, unlike thousands per year in comparable countries. Under the former government, Australia ranked near the bottom of economies investing in AI R&D – a mere \$30m compared with the billions spent in comparably sized countries, let alone China and the US. Canada’s Ottawa alone has invested billions in AI research.) Australia lost whole sectors of its economy during the globalisation of the 1980s and 1990s as manufacturing industries and jobs were off-shored into lower wage markets. AI-driven automation, properly applied and regulated, can, by contrast increase productivity and enable Australian manufacturers to use their competitive advantage of a highly skilled and educated workforce and a well-regulated economy to compete more effectively with lower-cost markets, giving our companies a chance to re-capture a greater share of the global goods markets.⁵ The current government is to be commended for its sharpened AI approach.

It is true that the amount of supervisory high-skill jobs created by automation has not always and everywhere compensated for the low-skilled jobs lost to automation, though this trend is uneven (in a country such as Israel and in the US state of California, the job-displacement trend has been bucked). So, whilst AI will replace aspects of manual labour we would be wise not to ignore what

⁴ Paul Smith, ‘Labor’s AI Vision for Melbourne’, *Australian Financial Review*, 23 April 2019, <https://www.afr.com/technology/technology-companies/labor-s-ai-vision-for-melbourne-20190422-p51g23>

⁵ Adam Slonim and Nick Dyrenfurth, *Artificial Intelligence and the Future of Work*, John Curtin Research Centre Policy Report no. 4, 2019, <https://static1.squarespace.com/static/587e1296579fb39e3199b6e9/t/5d46f79f8fefae0001227687/1564932092529/AI+Policy+Report+-+Adam+Slonim>

is termed the ‘skill complementarity effect’⁶ – increases in jobs and tasks necessary to use, supervise and grow from new technologies. Spreadsheets were once the killer app of personal computers and replaced hundreds of jobs in performing arithmetic manually. But the accounting industry thrived: new forms of modelling dramatically increased productivity and profitability. Thousands of accounting jobs were created, and the economy thrived. A classic case for the skill complementarity effect is in Germany switching from coalmining to the exporting of the equipment and technology to mine coal. This resulted in a high-wage, export-oriented industrial base, which continues to expand and underpin the strength of the German economy. There are many factors behind this success story, not least the more cooperative industrial relations model between capital and labour evinced by Codetermination and Works Councils.

There are also the benefits accruing to a potentially lower cost of capital effect. AI is increasingly embedded in newer, cheaper products accessible to more people, from satnavs to mobile phone apps. More than 70 per cent of Australia’s Accelerating Commercialisation grants have AI as central to their business idea.⁷

Finally, with respect to national security, AI-led defence investment is crucial and shaping government policy. We live in an age of swift, agile and cyber-strong drones, not tanks and trenches. Sailors don’t steer submarines by looking out the window – they navigate and track targets through sophisticated signals processing software. Missile defence systems use AI to recognise and target incoming attacks, while munitions themselves are increasingly self-directed. AI will be a cornerstone of defence policy including AUKUS for decades to come.⁸ Any country lacking sovereign AI capabilities will be at the mercy of those that do. Again, the current government is to be commended for ability to see defence through such a lens.

As noted above, while automation is not new and many of the lessons are familiar, recent advancements in generative AI have captured the imagination of the public, policymakers, governments, businesses and organised labour in new ways. Yet it is not only large language models that have taken a recent step up in seriously impacting the world of work, education, and training: advances in image processing and generation, spatial awareness, and robotics combine

⁶ In economics literature, this is referred to as ‘factor-biased technical change’, as opposed to ‘Hicks-neutral technical change’ (dating from John Hicks seminal book, *The Theory of Wages*, published in 1932). Technology that enhances the productivity of one factor of production more than another is biased toward the first factor. Technical change can increase both returns to and demand for the factor that it is biased toward.

⁷ Ibid.

⁸ Adam Slonim, *The case for AUKUS: Submarines are half the intelligent solution*, John Curtin Research Centre Discussion Paper No. 5, 2023, <https://curtinrc.org/wp-content/uploads/2023/10/Discussion-Paper-v2.5-30082023.pdf>

with the advances in language processing and generation to create an unfolding and unprecedented technological revolution. This surge in technological change promises to bring major improvements, but it also introduces significant challenges. It is imperative that productivity gains be shared fairly. That is not only a matter of equity and enhanced economic performance but one of political cohesiveness.

We already face the most challenging international environment in eighty years, with hostile state actors who are all too willing and able to wage information warfare. In 2019, ex-German foreign minister Joschka Fischer warned: “In the 21st century, power will be determined not by one’s nuclear arsenal but by a wider spectrum of technological capabilities ... Those not at the forefront of artificial intelligence and big data will inexorably become dependent on, and ultimately controlled by, other powers. Data and technological sovereignty, not nuclear warheads, will determine the global distribution of power and wealth.” This is the reality ahead of Australia and its working people as we enter a new information revolution. A revolution that changes our relationship with how information is created, communicated, and consumed; that requires new ways of assessing trust and truth. It is essential that we approach these challenges with eyes wide open.

Sharing the gains

The benefits of the productivity gains accruing to AI should be shared with workers. Among the challenges that these advances bring will be the need to share the gains equally. We don’t have to indulge dreams of a ‘post-work world’ to appreciate that vast new productive forces create opportunities for massive concentrations of wealth at the expense of most people and the economy more broadly. Many studies, including work by the John Curtin Research Centre, have shown that productivity increases have often not resulted in increased wages.⁹ According to the McKell Institute the wages to productivity deficit was minus 7 per cent for the retail sector over the past twenty years, while economy-wide estimates suggest a 15 per cent deficit in wages relative to productivity gains.¹⁰

⁹ Nick Dyrenfurth, *Make Australia fair again: the case for employee representation on company boards*, John Curtin Research Centre Policy Report no. 2, 2017,

<https://web.archive.org/web/20201231032151/https://static1.squarespace.com/static/587e1296579fb39e3199b6e9/t/59a570d7579fb364519f3b8f/1504015134832/Make+Australia+Fair+Again+-+Nick+Dyrenfurth>

¹⁰ James Pawluk, *Stalling Wages, Falling Growth: Getting Australia out of the Wage Suppression Trap*, The McKell Institute, May 2018, <https://mckellinstitute.org.au/research/reports/stalling-wages-falling-growth/>

Ensuring that the gains from AI are shared fairly relies on institutions functionally effectively. Most fundamentally, Australia has the minimum wage process and collective bargaining. These will continue to be essential. Making the job market fairer and more efficient will also be important: the increase in use of non-compete clauses in employment contracts unreasonably limits workers' bargaining position. Tackling the concentration of market power in monopolies/oligopolies is increasingly important. Australia's economy is already far too concentrated, resulting in distorted bargaining power that hurts workers, small businesses, and consumers alike.

Australia needs to invest in the institutions that make markets and the economy fairer. The Competition and Consumer Commission, the Fair Work Commission, minimum wages, Safe Work Commissions, Discrimination Commissions, anti-corruption agencies and other regulatory agencies, and even diverse public-interest journalism, a strong public education system, and accessible public health care to ensure no one is locked out of participating due to illness. These institutions prevent the concentration of power and wealth that distorts society and could exploit the arrival of such a vast new source of productivity. They need the resources to conduct investigations as needed and to equip Australians with the skills, networks and good health needed to live life on their own terms. And they need the political capital and cultural license to take on unfair or unlawful distortions of power or wealth when and where it happens. Without these institutions and more, we risk allowing the productive power of these new technologies to be used mainly for the private advantage of elites against the interests of working Australians. The critical point is this: every institution and entire society needs to be made AI match-fit.

Transition costs and job security

Economic change always entails transition costs. The greater and faster the pace of change, the larger the transition costs, most notably for wage and salary earners (and jobless). For automation and thus AI, this largely centres around the 'displacement effect', whereby new technologies lead to a substitution of jobs performed by workers, mostly manual and less skilled labour. Job loss fears are thus real and will continue. Australians still suffer nightmares from the vast displacement of jobs during the 1990s. This was caused by all too speedy tariff reductions and a quest to lower comparative production costs but was blamed on automation. The displacement effect was still not absolute. Even with the collapse of local textile and car manufacturing industries, Australia's gross domestic product and standard of living rose, albeit with postcodes of localised and

entrenched inequality. While we should not stay attached at any cost to an economic dream that can't compete, the way to transition is by making sure we invest in alternatives at speed.

The government can assist by strengthening the social security system, especially with a focus on unemployment insurance, availability of jobs-relevant skills training, simplifying the processes for setting up and running a small business, and making the jobs market more transparent. It needs to make workplaces healthier – especially schools where so much of our disease burden transmits. It should be as easy as possible for people to participate in the economy, to create jobs or to find jobs, but this should not mean abandoning job security. Secure work is essential to individual and communal wellbeing. Those in parliament who are worried about birth rates should think of job security as the foundation. Without secure work, people cannot afford major economic commitments like purchasing houses, marriages, and even children. Even signing a rental agreement is impossible without job security. In a time of major economic change, this logic will be more important than ever.

Implications for regulatory compliance and accountability

AI has the potential to significantly lower the cost of compliance for business. For example, Google demonstrated how their Gemini AI model uses language processing to perform regulatory or policy compliance checks on new project proposals. The enterprise version of their AI was trained on the regulation and internal company policy documents and had good capacity to analyse the language in those documents. They demonstrated sharing a new project proposal by simply dragging a document into the AI app window and asking if it was compliant with existing policies. The immediate response identified two compliance check failures. That was a product demonstration, so naturally it went as Google intended, but it indicates some of the direction that regulatory compliance and accountability is headed. This approach can significantly lower the cost to businesses of doing their own compliance checks. It does not eliminate the need to verify the results, however. And it definitely does not eliminate the need for regulators to perform their own compliance checks, such as workplace occupational health and safety.

The nature of work

AI skills will become an essential component of being job-ready for future generations of workers. AI promises to make knowledge vastly more accessible, but this will increase the value of certain

skills relative to others. Jobs that can use knowledge in creative ways are likely to become more productive. Similarly, work involving document, image, or video creation or use will become more productive. Importantly, this is not limited to the creation of documents, images, or video but includes work where these data are a meaningful part of the input cost.

‘Document production’ is a very broad ranging term. In this context, a document could be anything from a legal contract to lines of code, to a mathematical model, to an artificially generated video. Tasks that require regularly writing similar emails, drafting legal agreements, comparing documents for reasons such as identifying inconsistencies between policies and summarising documents. This type of work will become much more productive. The result is likely to be that people who do these types of things will begin to take on a broader range of tasks. Some tasks will no longer require specialists at all. Tasks like video editing are likely to become more common for non-specialists. AI will give with one hand and take with another.

A key challenge for the education system is to provide workers with access to ongoing retraining and reskilling to meet the needs of a fast-changing, global economy. There are still too many people who fall out of employment as their skills become less valuable, and who find it laborious, difficult or even impossible to find their way back into meaningful, dignified employment. AI is both an opportunity and threat. AI can lower the barriers to entry for some jobs and create new industries and employment opportunities, just as it can displace the skills required for other jobs. The education system must adapt to this situation rapidly, and not just at the point of crisis when jobs are being displaced but ahead of the change. The Commonwealth Government should provide direction and resources to increase skills in the specific technologies that underpin AI at VET and higher education levels as a matter of urgency for transitioning workers, existing workers whose jobs are and will change and future generations. Younger workers must be central to and embedded in AI labour market discussions. As a recent ACTU congress motion urged:

Young workers want new workplace technologies to only be used in the interest of ethical, meaningful work. Young workers must be included and involved in strategies to make sure artificial intelligence, digitisation, and automation are used and developed in the interests of a future that continues to value worker humanity.

The centrepiece of our higher education system, the three-year degree, possibly needs to be reconsidered in favour of a life-long continual learning approach. The pace of change keeps accelerating and AI will push that faster and faster. It is time for Australia to get over the idea that education stops at 18 or at 22 or ever.

Labour rights and industrial relations

i. Safety from problem customers

Facial recognition technology is an important contributor to workers safety in retail and hospitality as it helps identify known problem customers and facilitates barring them from a premise – i.e. a workplace – or filing appropriate reports to management or police. Ensuring this is done in a way that maintains privacy will be essential and this includes maintaining the privacy and rights of employees. Apple has demonstrated an approach to AI that can facilitate these sorts of privacy concerns. That approach can contribute in important ways to ensuring safe workplaces.

ii. Rostering

As we discussed in our submission to the Senate Select Committee on Supermarket Prices in March of this year, automation and digitisation is having a major impact on the matter of rostering. Rostering apps have created problems for families to spend time together, access or schedule childcare, and added to unpaid workloads. Workers and their families are not as we know, and have fought for in the past, mere commodities to be bought and sold in a ‘free market’. The same logic applies to the automation of rostering and indeed all aspects of the AI and machine learning technology – working people and their families cannot be treated as mere data.

New, high-tech systems of work and rostering of work need better oversight and allow for organised labour to oversee the work conditions of their members (and non-members). For instance, increasingly retail and warehousing industries allocate work by apps or algorithms, whether it is the provision of rosters, training modules or additional shifts in retail through apps or, in online retailing and warehousing, through wearable technology that directs, in accordance with an algorithm, how, when and where to carry out a task. Yet consultation as regards rostering is a fundamental workplace right and under state-based workplace health and safety legislation, such consultation is mandatory. Just as was the case when manual rosters were drawn up and/or redrawn, formal consultation with workers and their representatives should be mandatory. An algorithm cannot abrogate this right.

iii. Safeguards and guardrails

Most of the regulation that will govern AI likely already exists. The Privacy Act (1988) applies to the use of AI just as much as to any other form of communication. Consumer protection laws will

not suddenly allow deceptive conduct to exist simply because it was conducted using AI. If someone is found to breach anti-discrimination legislation, a judge will not consider it a mitigating circumstance just because an AI told them to do it. An example from the mid-2000s further illustrates the point: in 2004, TomTom released its first satellite navigation device. People started driving into lakes or the wrong way down a one way street because an AI told them that was the direction to go. Authorities made it very clear that drivers should follow street signs and road rules regardless of what their satnav says. Employers who use AI to sack people must know that they are still subject to unfair dismissal laws. Some of these regulations may need to be modernised, but much of that work will be done by courts and regulatory agencies in response to emerging cases. We envisage relevant workplace laws needing to make these points explicit. Courts, police, and barristers will benefit from explicit training in relation to emerging technology. We should not allow distortions of justice because one side is able to afford representation that can game a system not yet familiar with new technologies.

Transparency and regulatory accountability

The increasing complexity of automation creates new challenges for transparency and accountability. For instance, a bank may use an algorithm to determine credit worthiness that includes around a dozen variables in a linear equation that a high-school algebra student can comprehend. If one of the variables is 'race', transparency will allow the regulator to notice that unlawful discrimination is occurring. But recent AI models don't have dozens or even hundreds of variables, they have hundreds of billions. No amount of transparency can possibly convey a deterministic understanding to a regulator. A different approach is required.

One approach is to emphasise human agency. This recognises AI as a tool that does not have agency or legal accountability. To paraphrase Mitt Romney's immortal line: "AI are not people, my friend." This should emphasise that humans using an AI tool are responsible for whatever decisions, actions, or outputs they generate. This is more important to emphasise the greater the consequences of the decision/action. For instance, if an ADF officer is making a kill-decision with the assistance of AI, they will need operational and legal clarity about how much they can rely on the AI input. AI may be a highly reliable method of identification, combining facial recognition, walking print, voice print etc. A drone operator may rely on AI-generated advice on the identity of a target or the civilian status of nearby people. But the AI should not generally be able to make the choice to fire, or where it does, the officer who establishes the parameters in which the AI can

make a determination has to understand that they are accountable for the AI's actions. This is similar to laws around the use of landmines, one of the simplest algorithmic kill-decisions: they take a pressure applied to a plate as a single input-variable and determine to detonate with no further human discretion. AIs are much more sophisticated algorithms than landmines, but the legal and ethical principles are cognate. Agency and accountability must reside with humans, and the people who hold accountability need to thoroughly understand that. This is not just an issue for warzones though they do provide particularly stark case studies. And again, legislation, e.g. workplace laws, need to spell this out. Moreover, building a culture of awareness about agency and accountability in relation to using AI tools will be an essential safeguard built by government. The critical point is this: regulation and accompanying legislation will need to be carefully constructed and infused with agility and nuance.

AI Skills Training

For many people, embracing AI will be second nature, like using the internet. AI is already becoming embedded in every-day devices. Apple's latest product keynote introduced their approach to using small AI models on local devices to do personal tasks more intuitively. But when the internet was first introduced, many people, especially older generations, struggled to learn the basics. And this was especially true of older people without access to younger family members willing to help and was biased against lower income and ethnically diverse demographics. TAFE classes on using the internet would begin with: "double click on the Netscape Navigator icon... this is the Home Page." Similarly, many skills are relevant to the workplace but not part of everyday life. A Microsoft executive quipped at one of their AI product launches this month that he was glad he would never have to actually learn how to use features in Excel like pivot tables. People don't always pick up these skills, even when you might have expected them to. AI basic skills training made available to the general public could help significantly. Basic skills training at TAFE providers will potentially be valuable for equality and inclusiveness, ensuring all Australians are able to take advantage of this technology. Similarly, more specialised training could be considered through collaboration with small business peak bodies, libraries, schools, and other civil society institutions. Other institutions, such as Defence or Police, will need much more particular training and development.

Workers who are affected by automation and who risk being displaced need to be re-skilled with a focus on the very forces which affect and displace them. Reskilling requires well-funded VET

institutions, including TAFE, with tripartite industry level decision-making on training needs and modernised termination, change or redundancy laws that focus on AI reskilling and redeployment, albeit with redundancy as a last resort. There should also be specific funding for individual employees displaced by automation to be supported by employers and government. This should have particular emphasis on gendered work and regional labour opportunities where there may be fewer alternative options.

Regional Australia

Automated decision making and machine learning will significantly change the economics of geography and have major implications for regional Australia. We anticipate that access to certain services will become more available in remote areas, especially where niche skills are required. For instance, specialist health care, legal advice or the like where particular knowledge is required will become more available. That is because this type of knowledge-intensive service cannot always be provided in low population areas, but using AI to supplement more general knowledge can potentially make such services economically viable. They may often result in a form of referral service: for instance, a regional GP with patients experiencing rare conditions may become able to provide a referral to the right specialist with the assistance of AI that they otherwise may not have expected to do. Metropolitan GPs may face exactly the same limitation, but metropolitan patients do not because there are so many more GPs in a city than a rural town: the patient may be more able to find a GP who happens to have an interest in their specific condition. That is far less likely in a low-population area as a direct result of scale.

Increased automation in transport will reduce barriers to workforce participation in areas with less public transport, especially for parents (most especially for mothers). Parents (more often mothers) spend considerable time driving children to school or other events. Automation in transport will eventually reduce the amount of time required in these kinds of tasks. This should contribute to reducing the gender pay-gap by reducing the disproportionate participation hurdle of motherhood.

To the extent that AI is integrated into robotics, it will likely lead to considerable improvements in prosthetics. This is a foreseeable benefit in terms of equality and inclusiveness but requires ongoing investment in research and development.

Language accessibility

AI as a tool for digital translation will have major benefits for equity and inclusiveness. Despite Australia celebrating its multiculturalism, government communications are rarely available in multiple languages in a timely manner. This was especially evident during the control-phase of our national Covid response when even basic health advice or up-to-date regulations were almost never communicated in languages other than English, contrary to claims by various health departments. It contributed to confusion, resentment, and social division, with some communities not understanding Covid rules, not being made to feel safe, and feeling even more than might have been true that they were singled out for restrictive treatment.

Accordingly, government digitally written documents and webpages can be written and designed in ways that make them more amenable to AI translation. Short, simple sentences are relatively easy to translate. Long sentences with many clauses can be inadvertently mistranslated. Government webpages should be tested for formatting fidelity when automatically translated into major non-English languages used in Australia. Different written languages take up different space (e.g. written Chinese requires more vertical space; English requires more horizontal space). Web tools that allow translation can fail when the formatting is inflexible. This is an example of how embracing AI is a whole-of-society task. The general lesson? Almost everything government does will eventually need to consider the role of AI.

Open Source Intelligence

Translation accessibility will have other major implications. One area that the government should take particular note of is intelligence. Language is the first layer of encryption. Improvements in automatic translation can help overcome the limits of Australia's fairly restricted language capabilities. Open source intelligence collection and assessment can be expected to undergo a major step forward in the short term. The government should seek to take advantage of this as early as possible.

Conclusion

This submission, prepared with the assistance of the John Curtin Research Centre, outlines some conditions in which the digitisation of the workplace can result in a fairer system of work, including that

- institutions need to respond to rapid economic change,
- the benefits need to be shared through
 - improved opportunities for developing skills and
 - improved workplace wages and conditions,
- legislation that is responsive to the human impact and acknowledges the pace of change,
- workplaces need a culture of embracing AI for augmentation, not replacement, of work.

Recommendations about how to respond appear on page 2.

Appendix A: Principles underpinning SDA policy positions

SDA policy is driven by providing value to our members whose work is regulated by an industrial system that has been reformed but had failed them for decades.

Australians need to be supported by an economic system that has working people at its centre. Our predecessors built an industrial system which provided the foundations for shared prosperity. It is now our responsibility to utilise the reformed industrial framework for the current and future generations. Decades of concerted attacks on our industrial relations system saw inequality grow, and economic and political power has further concentrated in the hands of a few.

The world of work has changed and will keep changing. There is an unprecedented intersection between work and care. Income and gender inequality have combined to increase disadvantage. Predictable, secure hours of work that provide a living wage are at the centre of decent work. But there has been growth in insecure work, digitalisation is now a matter of course, safety concerns have persisted, and automated, digital and generative technologies must be shaped to enhance, not undermine, decent work.

We believe that fundamental not incremental change is needed. In contributing to policy, we seek to drive a new system that acknowledges the change that has occurred and will be fit for purpose in the emerging world of work.

The SDA engages in topics that help drive this agenda and we are guided by ten principles that we believe will create value for our members.

Those principles are:

- 1. Address Inequality & Enshrine Fairness**
Minimum expectations must be set and adhered to.
- 2. Equity & Empowerment**
All workers must be supported to progress so that no-one is left behind.
- 3. Mobility & Security**
A socially successful economy must provide opportunity for all, regardless of their background. Systems must be built in a way that support success and adaptation in a rapidly changing world of work.
- 4. Delivering Prosperity & Growth For All**
A foundation for prosperity and economic growth must be achieved.
- 5. Protection in Work & Beyond**
Workplaces and the community must be healthy and safe for all workers and their families during and beyond their working lives.
- 6. Workers' Capital & Superannuation**
Workers' capital and superannuation must be an industrial right for all workers and treated as deferred earnings designed for dignity and justice in retirement.
- 7. A Strong Independent Umpire**
A strong, independent, cost effective and accessible industrial umpire and regulator must be central to the future system of work in Australia.
- 8. Protection & Support for Our Future**
Protecting and supporting our future requires a strong and vibrant retail industry and supply chain providing decent work and jobs with fair and just remuneration and contributing to the economy including through skilled workers.
- 9. Work & Community**
Work is a fundamental human activity that provides for personal, social and economic development. Work as it operates in community must build and protect a balance between life at work and life so that workers can contribute to society through the wider community.
- 10. Institutional Support for Collective Agents**
Institutional support must provide for collective agents (registered organisations) in all industries so that they are recognised, enshrined and explicitly supported as central to the effective functioning of the system.

Details of specific policy positions can be discussed by contacting the SDA National Office.

