

How Government Affairs leaders in Australia can navigate an era of uncertainty

Stephen Covey famously said, “If there’s one thing that’s certain in business, it’s uncertainty.” This rings especially true today for Government Affairs leaders in Australia. At a recent Andrews Partnership event in Sydney, they discussed everything from geopolitics and DEI to misinformation, AI and reputation.

Geopolitics: Trump, trade and Big Tech

The return of Donald Trump to the US presidency with his trademark unexpected and unilateral communications and decisions has altered the global geopolitical landscape. A stark shift in attitudes toward environmental, social and governance (ESG) and diversity, equity and inclusion (DEI) initiatives from the US government has altered the backdrop behind corporate policies in these areas, especially for multinational organisations.

Australian business groups' recent resistance to expanded diversity reporting rules for ASX-listed companies is just one example of the global influence of the US stance. Government Affairs (GA) leaders sense a general “pullback” on corporates' DEI commitments while recognising the need to stay true to their company's overarching business objectives and sense of purpose and identity. Approaches will vary between industries and leaders must determine their company's stance on DEI — whether to maintain targets and commitments and decide if and how to communicate them externally.

Many also note that DEI-related language is becoming less prominent in corporate vocabulary, particularly when it could risk relationships with US investors.

Trump's changes to trade policies and imposition of international tariffs present additional challenges, particularly for those with global supply chains involving the US and China. Rising costs, volatile global shipping flows and stricter compliance rules make it essential for GA leaders to stay ahead of regulatory and trade developments.



Thirdly, the Australian government has taken a proactive stance in regulating Big Tech with a ban on social media use for under-16s set to take effect in late 2025. The government has also proposed regulations aimed at curbing anti-competitive practices and making social media platforms pay local news media for the use of their content. In light of Trump's pro-tech stance and close ties with Elon Musk, CEO of X, these moves could strain international relations.

Where GA leaders should focus:

- **Align corporate messaging with economic priorities:** Avoid entanglement in politically sensitive issues and focus on long-term business goals and outcomes.
- **Conduct regular geopolitical risk assessments:** Anticipate policy changes that could impact operations and measure their impact using an agreed internal grading framework.
- **Strengthen relationships with policymakers:** Engage in regulatory discussions proactively to remain on the front foot and avoid unexpected issues.

AI: Balancing innovation with regulation

Although AI has been embraced as a time-saving, efficiency-boosting tool by many professional communicators, its broader use and how it will be impacted by regulation remain uncertain.

The Australian government is actively consulting on AI regulation, debating what constitutes "high-risk" AI applications and building on existing voluntary standards with a potential mandatory framework. Industries such as healthcare and finance could face increased oversight of AI-driven medical devices and credit decision tools. Businesses are preparing to demonstrate robust safety measures for their AI systems amidst regulatory uncertainty.

Simultaneously, AI is transforming customer engagement through chatbots and automation across industries. Government Affairs teams are exploring AI's potential not just through generative AI to speed up and improve content creation, but in policy analysis, message testing and legislative tracking. The challenge lies in leveraging AI's benefits while maintaining public trust and adhering to emerging regulations.

Where GA leaders should focus:

- **Engage in government consultations:** Influence and steer AI policy development by participating in discussions.
- **Create internal AI guidelines:** Develop companywide policies to mitigate reputational risks associated with AI use and demonstrate proactivity to relevant stakeholders.
- **Invest in AI literacy:** Equip teams across the function with AI knowledge to navigate regulatory impacts effectively.

The misinformation crisis

The Media, Entertainment and Arts Alliance (MEAA) of Australia estimates that up to 5,000 journalists have left the industry during the last decade, leaving less than 10,000 recognised journalists in the country. The reduction was particularly severe in regional and rural media and exacerbated by the COVID-19 pandemic.

Social media influencers and commentators have been increasingly filling the void left by traditional local journalism. Without regulation or scrutiny over the wide-reaching information produced by these sometimes anonymous individuals and groups, there is a concern that misinformation could increase and spread rapidly, potentially shaping public opinion and damaging corporate reputations.

The spread of false narratives about company policies or industry developments necessitates swift and accurate responses. Misinformation was so rife during the lead-up to the Indigenous Voice to Parliament referendum that the Australian Electoral Commission issued multiple clarifications.

The country is now approaching a federal election and voters could again be impacted by exposure to misinformation, particularly around inflammatory, mass-appeal issues such as supermarket pricing practices.

Government Affairs leaders should monitor and stay vigilant against misinformation while minimising the risk of their brand being embroiled in political headlines in the election run-up.

Where GA leaders should focus:

- **Enhance media monitoring:** Identify, assess and counteract emerging false narratives early.
- **Develop a rapid response strategy:** Address misinformation promptly to prevent escalation.
- **Enhance direct communication channels:** Ensure accurate information reaches key stakeholders effectively.

Uncertainty remains, proactivity prevails

Government Affairs leaders in Australia are operating in an environment shaped by evolving geopolitical tensions, rapid advancements in AI and a pervasive misinformation crisis. These factors significantly influence corporate reputation and policy strategies. Understanding, monitoring and addressing these challenges is essential for effective leadership.

Uncertainty will persist, but proactive engagement is crucial. By staying informed, actively participating in policy development and strengthening crisis management strategies, GA leaders can safeguard their organisations' long-term interests.