

Thursday, 24 September 2026

OpenAI's breach of Medicare shows we need urgent AI regulation now

Working Australians are rightly outraged by the revelations this morning that an OpenAI Agent breached the Medicare system.

This is a point of no return for AI regulation in Australia. Unions have been warning since 2024 that more effective regulation is necessary to keep Australians safe from the capabilities of these large frontier models, developed mostly by large US-based tech firms.

Details are still emerging on this breach involving an AI agent developed by OpenAI, but its seriousness cannot be overstated.

The Prime Minister has advised that the incident occurred on 18 June. OpenAI reportedly became aware of it in August but did not notify Services Australia until 10 September, nearly three months after the incident.

This breach is not just a cybersecurity risk; it is a fundamental attack on Australia's sovereignty in the AI age.

The Prime Minister was right to call-out OpenAI CEO, Sam Altman for this irresponsible behaviour from his company. But taking the company to task is not enough. We urgently need genuine regulatory powers to keep Australians safe.

Unions have been calling for the Artificial Intelligence Safety Institute to be given proper powers to keep Aussies safe through a mandatory licencing regime for frontier AI models.

OpenAI has just made the case for such a scheme irrefutable.

Quotes attributable to ACTU Assistant Secretary, Joseph Mitchell:

"Unions are outraged to learn this morning that an OpenAI agent has breached Medicare's website. Medicare is a fundamental union accomplishment and vital to the lives and wellbeing of all Australians.

"Unions have warned for years that we need appropriate regulations to keep Australians safe from the emerging capabilities of these powerful AI models, being developed by large and powerful tech companies in the United States and China.

"This is a turning point for AI regulation. That this is the first disclosure does not mean it is the only instance. The AI Companies have shown us that they cannot be trusted to properly manage the risks of their own powerful models.

"Australian Unions reiterate our call on the Australian Government to create a licencing regime for powerful frontier AI models to be regulated by the Artificial Intelligence Safety Institute to keep Aussies safe.

"We need to regulate these companies. We need to protect against the dangers of their products. And we need to make sure they are not undermining the Australian institutions that uphold our quality of life. If you want to know why AI has no social licence in Australia, look no further than this appalling infiltration of Medicare by an AI agent."

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