AI in Corporations: Legal Risks and Their Impact on Leadership and Management in Australia

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Abstract

Artificial Intelligence (AI) is rapidly reshaping the Australian corporate landscape, offering unprecedented opportunities for innovation, operational efficiency, and data-driven decision-making. However, the deployment of AI technologies also presents significant legal and ethical challenges that demand proactive oversight from leadership and management. This paper critically examines the principal legal risks associated with corporate AI use in Australia, including issues related to data privacy, discrimination, workplace surveillance, employment law, consumer protection, cybersecurity, and regulatory ambiguity. It explores how these legal risks impact leadership and management. Using statutes, case law, and academic insights to frame the obligations and strategies required for responsible AI governance in Australia, the paper outlines the strategic responsibilities of corporate leaders in navigating this evolving legal environment. It argues that responsible AI governance must be grounded in legal compliance, ethical integrity, and transparent decision-making frameworks.

Keywords

Artificial Intelligence, Corporate Governance, Legal Risks, AI Regulation.