

Governance Directions

Journal of Governance Institute of Australia Ltd

vol.77 no.9 October 2025

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EISSN 2203-4757

Artificial intelligence now rivals embryo experimentation as ethical dilemma

By Daniel Popovski, Senior Policy and Advocacy Advisor and AI Lead



Public concern over AI intensifies as Australians grapple with its ethical impact across work, creativity, and governance.

AI ranks alongside embryo experimentation as one of the toughest ethical dilemmas facing Australians, according to new research released in Governance Institute of Australia's 2025 Ethics Index.

The annual survey of 1000 Australians reveals artificial intelligence has jumped seven points in the past year to become the third most pressing ethical challenge, behind only cost of living and housing affordability. In terms of ethical difficulty, AI is now rated almost equal to embryo experimentation, highlighting how far it has moved up the national agenda.

The findings suggest Australians no longer see AI as a niche or emerging issue but as a profound ethical dilemma that cuts across work, creativity, health and governance.

Governance Institute Senior Advisor for Policy and Advocacy (AI and tech), Daniel Popovski, said the results send a strong signal about public sentiment toward technology. He noted that AI is now one of the most ethically complex challenges confronting society.

"Artificial intelligence is no longer viewed as a niche or emerging issue; it is now one of the most ethically complex challenges facing Australian society. The 2025 Ethics Index places AI just behind embryo experimentation in terms of ethical difficulty, reflecting growing public concern about

its impact on employment, decision-making, and creative rights. These findings underscore the urgent need for ethical governance frameworks that can keep pace with technological advancement," he said.

The Index highlights a sharp generational divide in attitudes toward AI. Gen Z, which places the highest importance on ethics overall at 93, recorded the strongest negative swing toward corporate use of AI, dropping from a net positive of +8 in 2024 to -11 this year. Millennials remain the most positive group about AI in the workplace, while Baby Boomers are increasingly aligned with Gen Z in their concerns, particularly around job displacement and the erosion of human decision-making.

Australians are most critical of AI scenarios that involve deception, undisclosed AI-generated content and job displacement. In contrast, AI use in medical contexts such as assisting with diagnosis and treatment planning was rated the least negative.

Public concern for protecting creative professionals' rights has also intensified, with overall support rising by seven points in 2025 and more Australians calling it an urgent obligation.

The Index also reveals that perceptions of corporate AI use have fallen sharply. AI was newly tracked as a sector this year and is already rated as negative overall. Popovski said these results show that Australians are not just worried about what AI can do, they are worried about how it is being governed.

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Staying the course: What September's climate announcements mean for governance Professionals

An opinion piece by Dr Turlough Guerin FGIA



Executive summary

September 2025 delivered an unprecedented suite of Federal climate documents: the 2035 Nationally Determined Contribution, Climate Change Authority's Targets Advice, the National Adaptation Plan, and the National Climate Risk Assessment. Together, they establish binding emissions commitments and a national blueprint for resilience. For governance professionals, these cut through the noise of partisan debate, providing authoritative direction. Directors now face legal and fiduciary obligations to embed climate commitments into risk, disclosure, and strategy. The task is clear: align to national signals, anticipate regulatory change, and remain anchored to organisational purpose amidst an increasingly contested climate landscape.

A pivotal month for national climate governance

September 2025 marked a watershed moment in Australia's climate response. The Federal Government released a suite of interlinked documents: the 2035 Nationally Determined Contribution (NDC), committing to a 62-70% reduction in emissions from 2005 levels; the Climate Change Authority's statutory Targets Advice; the nation's first National Adaptation Plan; and the National Climate Risk Assessment.

At first glance, these reports risk being drowned out in what many directors already see as an avalanche of climate information, opinion, and contested commentary. Yet these are not just more

voices in the debate. They are government-mandated frameworks, legally binding in parts, and grounded in the best available science. For governance professionals, they represent a chance to cut through the noise and focus on what truly matters for organisations: credible, nationally endorsed guidance on mitigation, adaptation, and resilience.

Why the NDC matters – and the legal dimension

The NDC is not just a policy statement; it is Australia's formal commitment under international law pursuant to Article 4 of the Paris Agreement. Once lodged with the UNFCCC, it binds Australia to report, track, and progressively ratchet ambition. Importantly, under the Climate Change Act 2022, government must consider independent advice before setting targets – which it did in adopting the Climate Change Authority's recommendation.

Climate has long been recognised as a material director's duty under Australian law. What the September 2025 announcements do is reinforce and formalise this status, shifting climate governance decisively from a discretionary ESG issue to an explicit compliance and fiduciary matter. For listed entities, climate risk now falls squarely within Corporations Act disclosure obligations. For all organisations, directors face heightened expectations as regulators, investors, and counterparties increasingly treat climate targets and commitments as binding benchmarks that must be backed by credible plans and disclosures. This is not just a matter of optics. It is about ensuring corporate strategy, capital allocation, and reporting frameworks are aligned with a national commitment that carries international and legal weight.

Adaptation and risk: frameworks for organisational resilience

The National Adaptation Plan sets out seven priority systems, from economy and trade to health, infrastructure, and defence. The accompanying Climate Risk Assessment identifies cascading risks, such as concurrent natural disasters overwhelming critical infrastructure, biosecurity threats to agriculture, and health system vulnerabilities.

Governance professionals must translate these national priorities into organisational risk frameworks. That means testing whether existing registers, scenario analyses, and resilience plans adequately account for compounding climate events, and whether adaptation opportunities (for example, in infrastructure hardening or supply chain resilience) are being seized.

Questions governance professionals should be asking

In previous Governance Directions articles, I have argued that one of the most practical contributions governance professionals can make is to frame the right questions for their boards and executives. That reminder is particularly timely now. While many organisations have

been proactive, others have lagged or deliberately delayed action. The September announcements provide a clear signal that delay is no longer a defensible posture.

Some of the critical questions to be asking include:

- Purpose and alignment: How is our organisation's purpose reflected in our climate and adaptation strategy? Are we at risk of straying into greenwashing or short-term positioning rather than building durable resilience?
- Risk registers: Do our enterprise risk systems account for the nationally significant risks identified in the Climate Risk Assessment – such as cascading infrastructure failures, climate-driven biosecurity threats, and compounding disaster events?
- Capital allocation: Are our investment decisions aligned with a 62–70% emissions reduction pathway by 2035? What assumptions underpin our business case models, and are they still valid under the government's new trajectory?
- Disclosure readiness: Are we prepared for mandatory climate and nature-related reporting regimes, including alignment with the Taskforce on Nature-related Financial Disclosures (TNFD) and strengthened ASIC/ASX guidance?
- Adaptation strategy: Beyond mitigation, are we investing sufficiently in resilience measures – such as physical asset hardening, workforce adaptation, and supply chain redesign?
- Stakeholder trust: How do we ensure our communications remain evidence-based, anchored in data and science, and not distracted by political cycles or contested commentary?

By asking these questions, governance professionals help boards shift from reactive compliance to proactive stewardship.

Anticipating required changes

What practical steps should board and governance professionals now take?

1. Update risk registers and disclosures: Integrate findings from the National Climate Risk Assessment, particularly around infrastructure, health, and supply chain vulnerabilities.
2. Review adaptation alignment: Test whether organisational strategies align with the adaptation priorities outlined in the National Adaptation Plan.
3. Strengthen climate governance: Ensure boards have access to climate-literate expertise and embed NDC-aligned pathways into medium- and long-term strategy.
4. Scenario planning and resilience: Move beyond single-event risk to compounding hazards and stress-test business continuity plans accordingly.
5. Maintain focus on purpose: Reaffirm organisational purpose as the anchor through which to assess climate strategy, avoiding distractions from political rhetoric or non-evidence-based claims.

Staying true to purpose amidst political “noise”

As September’s announcements generated media commentary and partisan debate, governance professionals face a familiar challenge: separating enduring obligations from political cycles. The role of directors is not to adjudicate politics, but to keep organisations aligned to their purpose, strategy, and long-term resilience.

In this environment, purpose becomes a compass. It allows directors to filter out short-term distractions – whether from political machinations, pressure groups, or unverified claims – and to privilege evidence, law, and science in governance decisions. Cutting through the noise is not about ignoring debate; it is about recognising which signals carry institutional authority and legal consequence, and which do not.

Conclusion

September’s announcements signal that climate and adaptation governance are now mainstream legal and institutional expectations. For directors, this is not a matter of voluntary alignment but of fiduciary duty, accountability, and strategic foresight.

The message is clear: boards and governance professionals must not only respond to the regulatory and legal signals embedded in the NDC, Climate Change Act, and Adaptation Plan, they must also act as stewards of purpose, guiding their organisations to remain resilient, credible, and focused in an environment where climate risk is no longer a distant future but a present governance reality.

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Strengthening boardrooms: Colin Brain Fellowship supports cybersecurity literacy research



The Queensland University of Technology (QUT) is driving governance innovation through the Colin Brain Governance Fellowship, an endowment established to foster excellence in corporate governance, financial management and business ethics.

Created in 2007 by Ferriscorp Group Pty Ltd in honour of retiring managing director Colin Brain, the [fellowship](#) provides opportunities for postgraduate students, early career academics, overseas scholars and executives-in-residence to advance projects that improve governance practice. It also funds initiatives such as QUT's Future Boards series, which connects academic insight with boardroom challenges.

The 2024–2025 fellow, [Dr Jackie Bettington](#), governance researcher, educator, Fellow of Governance Institute, and experienced board director, is leading pioneering research into one of the most pressing issues for modern boards: cybersecurity literacy.

Her project, Director Cybersecurity Literacy: Defining and Assessing the Competencies for Effective Cyber Governance, aims to identify the knowledge, skills and judgement directors require to oversee cyber risk effectively.

"Cybersecurity is now a key boardroom issue, yet there is limited clarity about what directors actually need to know to govern cyber risk well," Dr Bettington said. "My research seeks to define those competencies and create a way to measure them reliably."

Drawing on Delphi studies and Rasch Measurement Theory, Dr Bettington is developing a psychometrically robust tool to assess directors' cyber literacy. The framework will help boards identify gaps, guide professional development, and ultimately strengthen organisational resilience.

By focusing her fellowship on cybersecurity, Dr Bettington is addressing an increasingly critical area of governance as organisations face growing threats and regulatory scrutiny. Her work promises to provide directors with clearer expectations, targeted training, and a framework to move from reactive to proactive cyber governance.

Dr Bettington is currently seeking expert contributors for her *Director Cybersecurity Literacy* research.

Directors and professionals in cybersecurity, information technology, governance, or risk as well as educators, policymakers, and regulators are invited to contribute their expertise.

What's involved?

- Up to four short online questionnaires (15–35 minutes each).
- Distributed from September to December 2025.
- Participate in any or all rounds (voluntary and anonymous).
- Option to be acknowledged publicly as a Delphi panel expert (with consent).

Your insights will help shape governance capability standards, inform director development programs, and support policy development across sectors.

Interested in contributing?

This is not her first contribution to governance capability building. Dr Bettington previously developed the widely adopted [Director Financial Literacy Test \(DFLT\)](#), a free, anonymous assessment enabling directors to benchmark their ability to interpret financial statements and meet their duty of care. The tool has already influenced director education and board evaluations across sectors.

Through fellows like Dr Bettington, the Colin Brain Governance Fellowship is not only advancing academic research but also equipping directors with practical tools to navigate the complex challenges of today's digital landscape, a legacy that continues to strengthen boardrooms and governance practice across Australia and beyond.

AI now ranked among Australia's most ethically challenging technologies

By: Daniel Popovski, AI and tech policy and advocacy lead



The 10th edition of the Governance Institute of Australia Ethics Index has revealed that the ethical dilemmas associated with the use of AI now rivals embryo experimentation and gene therapy with Australians becoming increasingly uncomfortable.

The Index shows a significant deterioration in the perceptions of how AI is being used with respondents to the Ipsos survey of over 1000 Australians finding that we are becoming increasingly uncomfortable with the use of personal data by companies over the past decade.

This is being led by Australians deteriorating trust and confidence in the use of AI by social media companies and across the workplace where it is now broadly perceived as unethical.

Australians are concerned with AI replacing human judgment including the use of personal data by companies without clearly defined or informed consent and where its use is perceived to be poorly governed and regulated to inform decision making.

This is impacting how Australians are interacting with the technology at home and in the workplace.

Australians are becoming increasingly concerned with the replacement of workers with AI-driven chat bots and are uneasy with AI being used to replace humans in decision making particularly for everyday financial services such as loan applications or insurance claims.

Our anxieties over the use of AI are not only isolated to the workplace or across high-risk settings such as where medical diagnostic tools or self-driving cars are concerned, but traverse into our personal lives including how we engage and interact with others online.

The use of personal data by companies through the collection of data from social media companies was a highlighted concern in this year's survey.

LinkedIn trailed closely by Facebook and X (formerly Twitter).

The survey revealed that directors of foreign companies are perceived as some of the most unethical occupations trailing politicians and real estate agents.

The unauthorised use of personal data was not the only contributing factor.

One of the key issues emerging from the survey results was the use of AI-generated content such as news, images or videos without AI-generated disclosure.

In a world first, China has now mandated that AI-generated content be [labelled](#) wherever it appears online, including on AI generated text, images, audio, video, virtual scenes, or other information.

However, Australia is yet to contemplate such a law with recent indications from government and the Productivity Commission, that existing laws may be broadly sufficient to regulate the use of AI.

The volume of online information and opinions have made Australians more unsure about what is genuine and truly ethical.

Gen Z respondents found that they struggle to navigate authenticity and find it challenging to navigate misinformation.

They are also less likely to state their views and interact online in a genuine way, out of fear of judgement.

Fear of expression may have serious consequences to the democratic institutions that are essential to the way we decide what is ethical.

Gen Z also fear job displacement from AI whilst on the opposite end of the generational spectrum baby boomers are becoming increasingly apprehensive fearing they can no longer keep up with the technological change occurring in workplaces.

Ethical leadership requires transparency, accountability, and values beyond what may be required through compliance.

The gap between ethical expectations and reality is now at a record high and it is up to government and the professional business community to work together to close this gap.

We need to do more to incentivise workplaces to create and communicate their AI governance frameworks including how AI is used in the workplace, but critically how AI generated information informs decision-making.

The use of AI is more than just efficiency building its about increasing employment satisfaction by shifting the focus from repetitive tasks and activities to more strategic and meaningful work.

Finding the true value-add of AI technology in workplace settings is something Australian workplaces need to get better at, something we significant trail our counterparts in the region.

We can't let the risk of poorly communicated AI policies, or misuse of data by the few affect the way in which AI is developed and deployed.

There are significant unrealised benefits of AI that can deliver on socio-economic and environmental challenges by their sheer force of data analysis that can deliver clever solutions to solve our grand challenges and wicked problems.

We need to leverage AI in more meaningful and impactful ways and not limit ourselves to the fear of worker displacement.

Government, industries and professional associations need to work now to identify where and how workers may be displaced and start to lead on tangible plans to upskill, reskill the workforce in ways that delivers tangible benefits for Australians.

The Ethics Index survey suggests we have a long way to go before Australians feel comfortable and confident with AI use and uptake in the workplace and in their social interactions online.

Despite perceptions otherwise, AI is not going entirely 'unregulated' in Australia. The use of AI in the workplace relates to several discreet laws and standards or 'soft laws' such as the Voluntary AI Standard that encourage the safe and responsible use of AI.

Emerging gaps in how we regulate AI are most apparent for large multi-national firms where citizens feel less empowered or confident that Government can influence how they are regulated and governed in a meaningful way.

This is where international consensus is critical.

We are observing the proliferation of international agreements on the safe and ethical use of AI with recent declarations being made by the UN, UNESCO and BRICS.

Australia is a signatory to the Bletchley AI Safety agreement, recognising its role in the safe and ethical development and deployment of AI.

The Australian Government is currently contemplating whether there are gaps in how AI is regulated and deployed and whether a standalone regulation such as the EU AI Act is required.

It is less apparent that a standalone Act is necessary to restore trust and confidence in the use and deployment of AI. However, existing laws and regulations may need to be strengthened.

Australians view AI companies training models on publicly available content without permission from creators as very unethical.

Yet the Productivity Commission and Tech Council's Chair Scott Farquar suggested exemptions to Copyright laws, that may compromise the integrity and protection of creative works.

Government's challenge will be to determine how it can attract foreign direct investment in AI whilst protecting Australian privacy, consumer rights and copyright protections.

The Productivity Commission's final report to government on harnessing data and technology is expected in December this year.

Governance Institute has been advocating for a National AI Strategy that considers the future of the workforce, how effectively the technology is used and deployed by organisations and support the protection of personal data of Australians and copyright works of Australian creative industries.

Trust in social media falls as virtue signalling fuels scepticism

By Julia Abbondanza, Governance Institute of Australia



Australians' trust in social media and big tech has fallen sharply, with new research showing these platforms are now viewed among the most unethical parts of modern life.

The Governance Institute of Australia's 2025 Ethics Index reveals that while many sectors of society have held steady or even improved their ethical standing, social media has gone in the opposite direction. The media sector overall sits in negative territory, and social platforms continue to attract some of the strongest criticism in the study.

TikTok has emerged as the least ethical platform in Australia, followed closely by Facebook and Twitter. Between one in four and one in five Australians now rate social platforms as "very unethical," highlighting widespread concern about how these companies operate and the influence they exert.

The findings also show that Australians see a disconnect between how people behave online and offline. Many believe people portray themselves as more ethical online than they really are, reinforcing concerns about virtue signalling and the lack of authenticity in digital spaces.

Governance Institute Chair and President, Pauline Vamos, said the results should be a wake-up call.

"Australians are questioning not just what platforms do, but the impact they have on truth, trust, and social cohesion. Transparency, authenticity, and responsible use of technology are no longer optional, they are essential," Ms Vamos said.

The Index also highlights important generational differences in how Australians perceive the ethics of online platforms. Gen Z stands out for its mixed views: Facebook is rated the most positive platform among this group, while Twitter is seen as the most negative. Despite high levels of engagement, TikTok is still viewed poorly by Gen Z and across every age group.

Baby Boomers and Gen X remain the most critical of social platforms overall, driving the strongest negative perceptions. Millennials are comparatively less negative, though they too rate TikTok as the least ethical platform.

Key findings from the 2025 Ethics Index include:

- Social platforms attract some of the strongest negative perceptions in the study, with up to one in five Australians rating them “very unethical.”
- Many Australians believe people are more likely to virtue signal online than act ethically in real life.
- Since COVID, sentiment toward Twitter has fallen to its lowest level recorded in the Index.
- TikTok remains the least ethical platform across generations.
- AI and social media, both newly tracked in 2025, are among the lowest-scoring areas in the Index.

Ms Vamos said rebuilding trust online must begin with leadership, clear disclosure, and accountability, emphasising that authenticity is central to protecting truth in the digital age.

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