South Australian Royal Commission into Artificial Intelligence: what businesses need to know now

Authors: Tom Griffith, Partner (tgriffith@piperalderman.com.au)

Travis Shueard, Partner (tshueard@piperalderman.com.au)

Practice Group: Corporate & Commercial, Intellectual Property & Technology

Date: 11/08/2026

On 10 August 2026, the South Australian Government announced the establishment of a Royal Commission into Artificial Intelligence. The inquiry is expected to commence on 1 October 2026, with a final report due to government no later than 1 July 2027. The announcement positions South Australia as an early mover in examining how AI should be developed, deployed and regulated in a way that captures its economic and social benefits while managing risks to people, work, public services and infrastructure.

What is the inquiry likely to cover?

The final Terms of Reference are yet to be released, but the Royal Commission is expected to examine the economic and social opportunities and challenges that AI will bring to South Australia. Based on the announcement, the inquiry is likely to cover five broad areas:

- **Policy and regulatory settings** at both state and national levels, including the guardrails needed for responsible AI deployment;
- **Education impacts and opportunities**, spanning schools, tertiary institutions and vocational training;
- **Public services**, including health, and the role AI may play in service delivery and transformation;
- **Skills and workforce**, including how AI will reshape labour markets, workforce needs and reskilling pathways; and
- **Infrastructure**, including its interrelationship with energy transformation, water usage and electricity grid implications.

The breadth of these categories signals that the Royal Commission will not be a narrow technical inquiry. It is likely to be a wide-ranging policy inquiry that examines the legal, regulatory, operational, workforce, infrastructure and reputational issues raised by AI. Its recommendations may also influence Commonwealth policy settings, particularly where national regulation, privacy, workplace obligations, consumer protection and sector-specific regulation intersect with AI deployment.

Why does this matter to business?

Royal Commissions carry significant weight in Australian public policy, and their recommendations frequently translate into legislative, regulatory or administrative reform. Businesses using, developing, procuring or investing in AI should expect that the inquiry may shape future expectations about governance, transparency, accountability and risk management. This will be relevant not only to technology companies, but also to organisations in health, education, infrastructure, resources, financial services, professional services, government contracting, public services and any sector using AI to make or support decisions.

Businesses may also have an opportunity to shape the policy response. Royal Commissions typically invite submissions from affected stakeholders, and companies with practical experience in AI governance, workforce transition, data management, procurement, infrastructure, intellectual property or risk controls will be well placed to contribute evidence. Early preparation will help organisations decide whether to engage directly, participate through industry bodies, or monitor the inquiry as part of their regulatory strategy.

The inclusion of AI infrastructure, energy transformation, water usage and electricity grid implications also demonstrates that the inquiry is likely to consider the physical and environmental footprint of AI. Businesses involved in cloud infrastructure, major technology procurement or large-scale AI deployment should anticipate closer scrutiny of planning, approvals, sustainability and supply chain issues.

The focus on skills and workforce means employers deploying AI should be prepared for public discussion about job redesign, displacement, augmentation, training and consultation. Workforce decisions linked to AI may intersect with employment law, industrial relations, discrimination, privacy, work health and safety, procurement and governance obligations. Organisations that can demonstrate responsible, evidence-based approaches to AI adoption will be better positioned to manage legal and reputational risk.

Five practical steps businesses should take now

As the Royal Commission takes shape, businesses with AI operations, AI-related investments, AI procurement exposure or workforce exposure to AI-driven change should consider the following practical steps:

1. **Map AI use, investments and dependencies.** Identify where AI is being used, developed, procured or embedded in business processes, products, services, customer interactions, workplace tools or infrastructure. This should include third-party systems and vendors, not just internally developed tools.

2. **Review AI governance and accountability.** Assess whether your organisation has clear policies for AI approval, oversight, human review, data use, record keeping, risk assessment and escalation. Boards and senior executives should be able to explain who is accountable for AI-related decisions and how risk is managed.

3. **Assess workforce impacts and consultation requirements.** Review whether AI deployment may displace, augment or materially change roles. Consider training, consultation, redeployment, change management and employment law risks, including potential issues under the *Fair Work Act 2009* (Cth), discrimination laws and work health and safety duties.

4. **Prepare for regulatory and public engagement.** Consider whether your organisation should make a submission, participate through an industry body, brief government stakeholders, or prepare evidence of responsible AI use. Submissions are more persuasive when supported by practical examples, data and constructive policy recommendations.

5. **Manage reputational, procurement and contractual exposure.** Review public-facing AI claims, customer terms, supplier contracts, privacy notices, data rights, intellectual property arrangements and incident response plans. Royal Commissions attract media attention, and organisations should align their legal, policy and communications strategies early.

How Piper Alderman can assist

Piper Alderman can assist businesses to prepare for and respond to the Royal Commission by providing integrated legal, regulatory, policy and strategic advice. This includes monitoring the Terms of Reference, assessing whether and how to engage with the inquiry, preparing submissions, reviewing AI governance frameworks, advising on workforce and employment implications, assessing privacy, data and intellectual property issues, and reviewing commercial arrangements with AI vendors and technology partners.

We are monitoring developments closely and can help organisations identify immediate legal and operational risks, prepare evidence-based submissions and position themselves as constructive participants in the policy process. Businesses that act early will be better placed to influence the outcome of the inquiry, respond to potential evidence requests and manage any regulatory, legal or reputational issues that emerge.