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Rethinking risk: Inside class actions

A survey on corporate Australia and the risks keeping them up at night

To understand the experiences and concerns of corporate Australia, we conducted a survey of the country's leading organisations for their views on class action risk and mitigation plans.

Key takeaways for leadership



Class actions are a recognised enterprise risk, not isolated proceedings.



Cyber security and ESG are seen as the key exposure areas, driven by regulatory scrutiny and disclosure obligations.



Employment, culture and consumer risks are increasing.



Regulatory activity is a recurring litigation trigger, often preceding follow-on claims.



Readiness remains uneven, particularly in formal risk assessment and Board engagement.

What concerns organisations most

43%

reputational
impact

20%

financial
impact

14%

cost of
defence

Concern levels

51% rank class action risk as 'high'



12% are not concerned about class action exposure



70% are concerned about cross border litigation exposure



Primary sources of exposure



Financial disclosures/
shareholder claims



ESG (including
greenwashing and
modern slavery)



Cyber security &
data privacy



Employment
matters



Consumer claims &
product liability



Cross border
litigation exposure

Exposure is no longer concentrated in a single category. Risk is distributed across governance, systems, culture and disclosure - and that is precisely where class action risk must be managed: within governance, disclosure and enterprise risk frameworks.

Risk readiness and Board oversight

As class action risk increases, governance and oversight must keep pace.

31% periodically assess class action risk

35% consider class action risks only within other risk categories

14% make no specific class actions risk assessment

Board engagement

60%

indicate that dedicated briefings on class action risk and controls are not required by their Board and/or Senior executives.



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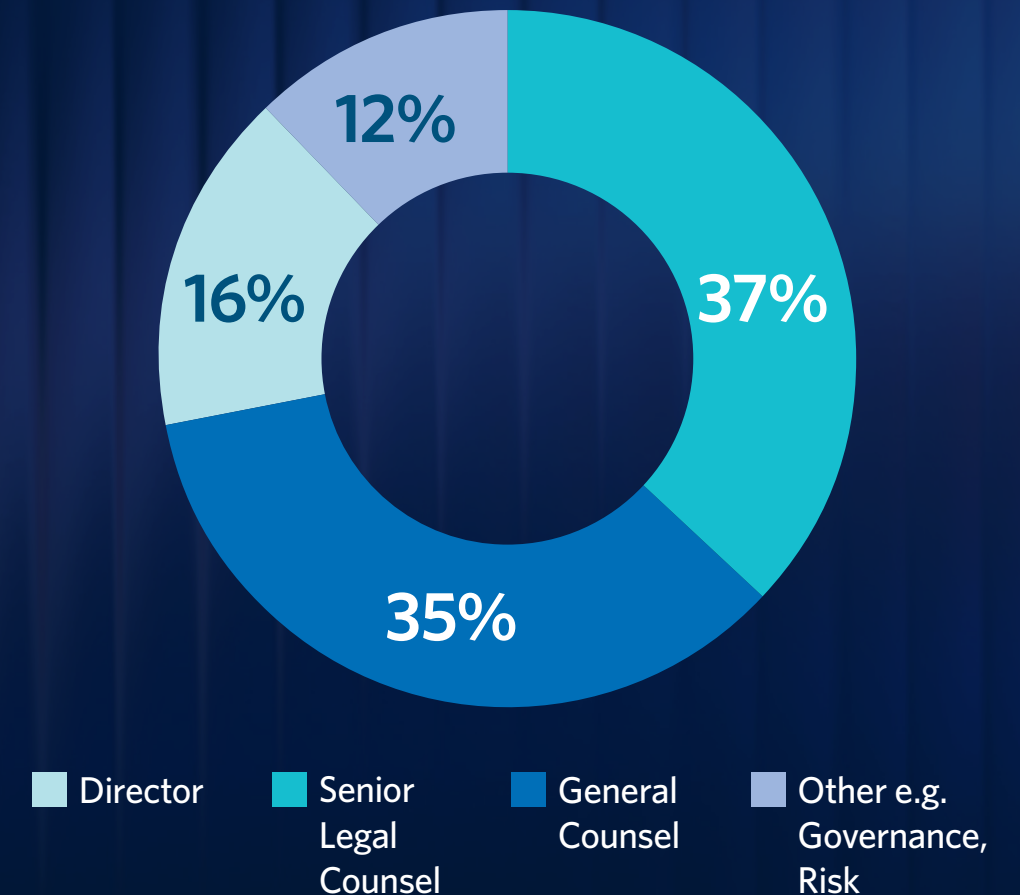
Litigation trends to watch

- 83%** identified privacy and data breach class actions
- 50%** identified environmental & climate litigation
-  identified emerging risk of AI related class actions
- 1 in 3** identified derivative actions as the next frontier, using regulatory findings to put Board decisions directly on trial

AI-specific risk mitigation steps



Who we surveyed



Key contacts



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