

Australia's AI investment surges, yet governance is holding productivity back

2026-07-30

New research reveals that less than a quarter of Australian organisations have AI testing and auditing processes, as low trust in AI outputs and lack of employee training stalls productivity gains.

Sydney, 30 July 2026 – **New research** from ServiceNow, the AI control tower for business reinvention, reveals Australia's artificial intelligence (AI) spending boom is being undermined by a lack of governance and fragmented systems. At a time when Australia's productivity is at historic lows, Aussie organisations have more than doubled AI spend – 115% year on year; 5% above the global average. Yet most organisations are struggling to implement AI in day-to-day operations, failing to govern AI outputs or streamline work for employees.

Australia's AI risk problem: one in four AI outputs verified

ServiceNow's Enterprise AI Maturity Index has shown trust in AI-generated outputs and accountability is the defining tension for Australian leaders and the employees working with it, with the Index revealing Australia is the country most concerned about AI accuracy.

Only a quarter (23%) of organisations have AI testing or auditing processes in place, leaving the majority of Australian organisations trying to scale AI without being able to verify it, nor validate what it produces. Further, just 17% have a system to manage and track governance and compliance. For Australian organisations, governance is no longer just about risk management, it's conditional to adoption, employee trust and business-wide rollouts.

The key challenges for executives in Australia are:

- Inadequate data accuracy, access and management (72%)

- Lack of transparency and potential for misinformation from AI (62%)
- Data privacy and security concerns (54%)

“Australia’s AI challenge is a trust challenge,” said Pete Andrew, Group Vice President, Australia and New Zealand, ServiceNow.

“Organisations have made the investment, but they will not unlock the productivity benefits if leaders cannot trust AI outputs and employees don’t have the confidence to use AI safely. The next phase of AI maturity is about building the governance, transparency and connected workflows that make AI reliable and scalable.”

Disconnected AI causing complexity for employees

The findings show most organisations still approach AI as a collection of tools rather than a connected system that can redesign work processes. Just 18% of Australian organisations have integrated AI across business functions, and only 8% have moved beyond individual tools to autonomous workflows. Leaving many organisations investing and paying for capabilities that aren’t being fully implemented.

For workers, the fragmented systems and lack of training is fuelling distrust. While the research showed organisations have improved on AI leadership and strategy, that direction is not yet reaching the workforce. Forty per cent of employees across the APAC region say they are not getting enough AI training, while almost half (48%) cite lack of AI strategy from leadership.

Organisations getting governance right

The Salvation Army Australia has defied market trends. Rather than bolting AI on top of fragmented systems, it designed governance and guardrails into ‘Goldie’ – an AI-powered employee experience tool built by ServiceNow’s EmployeeWorks – from day one. This helped its workforce cut through administrative complexity and navigate information across fragmented systems. And since implementation, 90% of queries have been resolved without escalation and nearly 2,700 hours have been saved for frontline staff to focus on supporting community members.

Accessible through Microsoft Teams, Goldie allows employees to ask questions in plain language and receive instant answers based on approved internal systems and existing permissions. Governance and guardrails were built in from the start through a three-tiered model spanning organisational AI strategy, responsible usage guardrails and tool-specific controls.

“Our people were overwhelmed by fragmented systems, duplicated processes, and the cognitive burden of navigating more than 20 applications just to do their jobs”, said Milad Kruze, CIO, The Salvation Army Australia.

“That load was taking them away from what matters most, empathy, compassion, and connecting with the people

we serve. By giving our team a single, conversational front door to get things done, we've removed that administrative friction and returned time, confidence, and purpose back to the frontline."

Where to next for businesses?

The index revealed that Australia is making some progress, in AI-maturity with a score of 51/100, a 15-point boost on last year, catching up with the global average. This means there's an emerging window of opportunity for Australia to turn today's investment surge into measurable productivity gains supported by better data, stronger testing, clearer governance and more connected platforms. Across APAC, 23% of organisations have reached Pacesetter status, the top tier of AI maturity, and these Pacesetters are achieving six times higher productivity than other organisations.

"The next stage of AI maturity will be defined by how effectively Australian businesses turn AI investment into productivity, trust and resilience," said Mr Andrew.

"Implementing AI can help Australian organisations reverse two decades of productivity stagnation. But only if they move beyond pilots and point solutions, connecting AI across workflows, embedding governance from the start and training employees to use AI with confidence."

ENDS

The research

To measure the current state of AI maturity in the enterprise, ServiceNow – in partnership with ThoughtLab – surveyed 4,500 senior leaders, including 350 from Australia. We developed a proprietary indexing model to identify how leading organisations are putting AI to work effectively. See the Australian fact sheet [here](#) and the global report [here](#).

About ServiceNow

ServiceNow (NYSE: NOW) is the AI control tower for business reinvention. The ServiceNow AI Platform integrates with any cloud, any model, and any data source to orchestrate how work flows across the enterprise. By unifying legacy systems, departmental tools, cloud applications, and AI agents, ServiceNow provides a single pane of glass that connects intelligence to execution across every corner of business. With more than 100 billion workflows running on the platform each year, ServiceNow helps organisations turn fragmented operations into coordinated, autonomous workflows that deliver measurable results.

Learn how ServiceNow puts AI to work for people at servicenow.com

Media contact

Phil Smith – ServiceNow

phil.smith@servicenow.com