

N 000° · Q4 2026 · AI READINESS

AI is already in the building. The rules aren't.

Three things leaders need to know about AI, and what to do about them.

THE BOTTOM LINE

Three things leaders need to know.

From a survey of 50 Australian leaders in August 2026. If you read only one page, read this one.

01 Use is outpacing the rules.

Staff are already using AI, mostly informally, while few organisations have agreed how it should be used. The risk is already inside the building.

76% USING · 22% WITH A POLICY

02 Boards aren't asking.

AI rarely reaches the board table and often has no clear owner, leaving an accountability gap that grows with every new tool.

52% RARELY OR NEVER DISCUSS IT · 30% HAVE NO OWNER

03 Skills are the real bottleneck.

Spending is set to rise faster than the capability to use AI well. Without skills, new tools will sit idle or be used badly.

64% NAME SKILLS AS A TOP BARRIER · 58% WILL INVEST MORE

WHY IT MATTERS NOW

Almost every organisation surveyed is already using AI in some form, and most plan to spend more on it in the next 12 months. Average self-rated readiness is just 2.6 out of 5. Without deliberate action, the gap between use and governance will only widen.

INSIGHT 1 OF 3

Use is outpacing the rules.

AI has arrived through everyday tools rather than big projects, and policies have not kept up.

WHAT WE FOUND

76%

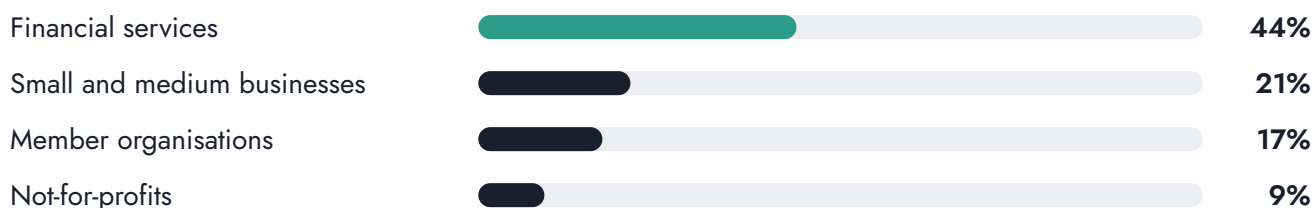
have staff using public AI tools, often informally

22%

have an agreed policy on acceptable AI use

Agreed AI policy in place, by sector

% of respondents. Small groups: read as indicative.



SO WHAT

Staff are already putting organisational information into public tools, with little guidance on what is safe to share, how to check the results, or who is responsible. That is a privacy, accuracy and reputational risk sitting inside most organisations today.

NOW WHAT

Agree a simple acceptable-use policy this quarter: which tools are fine to use, what information must never go in, and how outputs are checked.

Ask this week: Do we know which AI tools our people are using, and for what?

“What data are our people already putting into these tools?”

CEO, financial services

INSIGHT 2 OF 3

Boards aren't asking.

AI is changing how work gets done, but it is rarely on the agenda of the people ultimately responsible.

WHAT WE FOUND

52%

say AI rarely or never comes up at board or executive level

30%

have no one accountable for AI

20%

are confident their leadership understands AI's risks and opportunities

SO WHAT

When no one owns AI and the board isn't asking, decisions get made by default, one tool and one team at a time. That leaves an accountability gap, and directors exposed if something goes wrong.

NOW WHAT

Put AI on the board agenda for the next two meetings, and name one executive as accountable for how it is used.

Ask this week: Who in our organisation is accountable for AI, and when did the board last hear from them?

"Who is accountable when an AI tool gets it wrong?"

Board director, not-for-profit

INSIGHT 3 OF 3

Skills are the real bottleneck.

Most leaders see the opportunity, but the people and know-how to use AI well are in short supply.

WHAT WE FOUND

64%

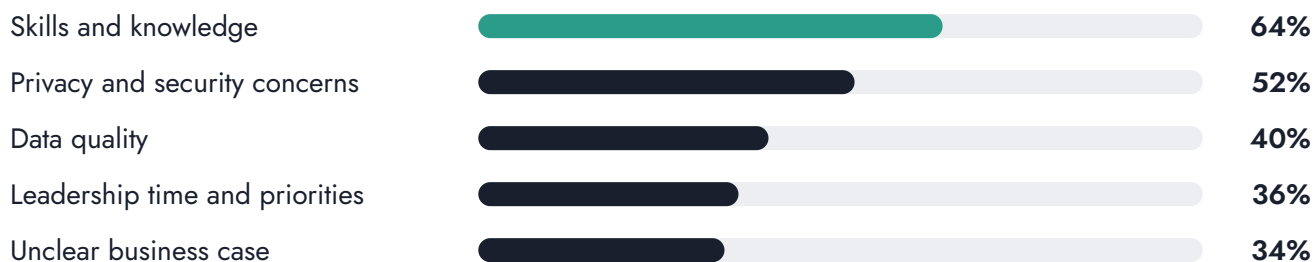
name skills and knowledge as a top barrier

58%

plan to increase AI investment in the next 12 months

Biggest barriers to using AI well

Up to three choices, % of respondents



SO WHAT

Money is about to flow into AI faster than the skills to use it well. Without capability, new tools will sit unused or be used badly, and the investment won't deliver.

NOW WHAT

Build skills before buying more technology: a short, practical briefing for leaders, and a few clear, safe use cases for staff to start with.

Ask this week: What would our people need to use AI well, safely and confidently?

"How will AI change what our members expect from us?"

Executive, member organisation

WHAT THIS MEANS FOR YOU

Where to focus, by role and sector.

The same three insights play out differently depending on where you sit.

Board directors	Ask who is accountable for AI, and make it a standing agenda item until the answer is clear.
CEOs and executives	Name an owner, agree an acceptable-use policy, and fund skills before tools.
Not-for-profits	Start with the policy: only 9% have one, the lowest of any sector surveyed.
Member organisations	Look first at member-facing uses, where expectations are changing fastest.
Financial services	Ahead on policy at 44%, so the next step is accountability and skills.
Small and medium businesses	Keep it simple: a one-page policy and a short skills briefing will cover most of the risk.

TAKE IT INTO YOUR NEXT MEETING

- ☐ Do we know how our people are using AI today?
- ☐ Do we have an agreed acceptable-use policy, and do people know about it?
- ☐ Who is accountable for AI, and does the board hear from them?
- ☐ Are we building skills as fast as we are buying tools?
- ☐ Where could AI genuinely help the people we serve?

ABOUT THIS REPORT

How the research was done.

This report draws on an online survey of 50 leaders across Australian organisations, run in August 2026. Participants were invited through Five North’s network and LinkedIn, and answered 12 questions on AI use, governance, capability and plans (the full question set is available on request). Respondents were self-selected, so results are indicative rather than representative. Percentages may not add to 100 because of rounding or multiple answers.

How each group is defined

Small and medium businesses: private firms with fewer than 200 staff, outside financial services.

Financial services: banks, mutuals, insurers, wealth firms and fintechs.

Member organisations: super funds, sporting bodies and associations.

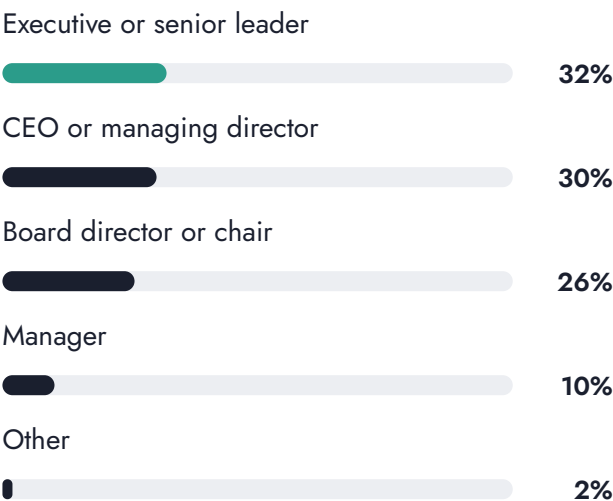
Not-for-profits: charities, foundations and community groups.

Who responded

By sector



By role

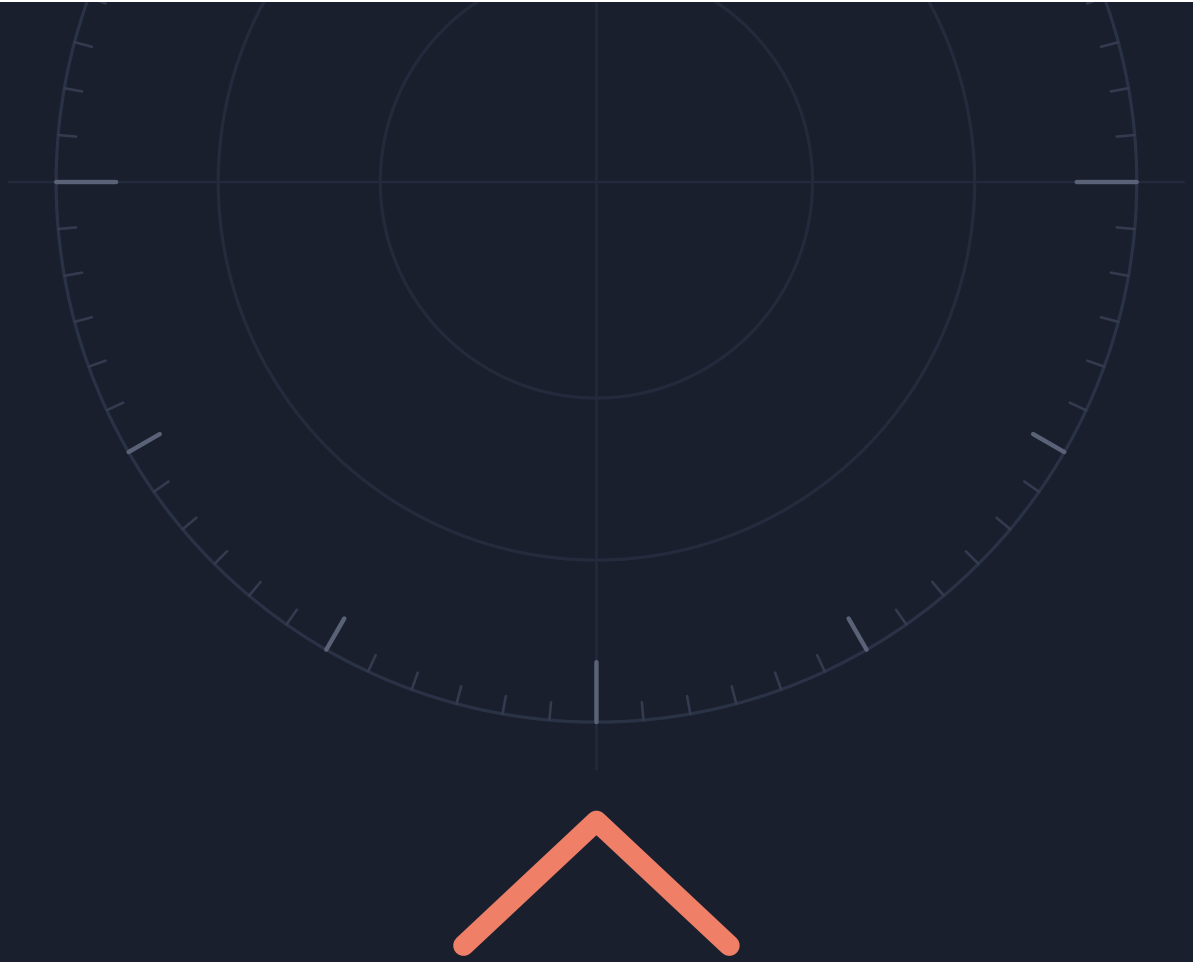


About Five North

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This report is general information only, not advice for any specific organisation. Responses were collected anonymously; email addresses were used only to send this report. The research was self-funded by Five North, which provides advisory and research services, including on the topics covered here.



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