



2025 AI Deployment and Governance Survey Report

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Introduction

Australians have taken to AI with enthusiasm.

But despite widespread adoption, the nation is facing a critical gap between capturing the potential benefits of a powerful new technology and the day-to-day realities of effective implementation.

Last year's [White Paper on AI Governance](#) from Governance Institute of Australia established foundational principles for responsible AI, identifying clear, actionable steps to help business leaders implement AI effectively and ethically.

This year, we move beyond those foundations to present the practical realities of AI's implementation in Australia.

This paper is built on insights from a survey of 344 respondents in a diverse range of roles and organisation sizes, alongside detailed case studies of five carefully selected AI leaders.

Their experiences reflect the real-world of AI implementation in Australia today – highlighting gaps in governance, insufficient training, and uncertainty about measuring return on investment.

But they also provide an important roadmap for business, the not-for-profit sector, and government: revealing what is working, the traps to avoid, and the best practices for successful AI integration.

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Foreword



As Chair of Governance Institute, I am pleased to present this comprehensive report on the state of AI deployment and governance in Australia. The findings of the **2025 AI Deployment and Governance Survey** highlight a critical juncture for our nation's businesses, particularly the small and not-for-profit sectors that form the backbone of our economy.

Artificial intelligence holds immense potential to drive innovation, enhance productivity, and foster economic resilience. However, our survey reveals significant barriers to effective AI adoption, including gaps in governance, insufficient training, and challenges in measuring return on investment. These obstacles are particularly pronounced for smaller enterprises, which risk falling behind their larger counterparts.

This report not only sheds light on these challenges but also offers practical steps for bridging the AI divide. By prioritising AI literacy, investing in training, and developing robust governance frameworks, organisations of all sizes can harness AI's transformative power safely and effectively.

The role of government support is also crucial in this journey. The National Artificial Intelligence Centre's initiatives provide valuable resources and guidelines, but it is ultimately up to businesses to take proactive steps towards responsible AI adoption.

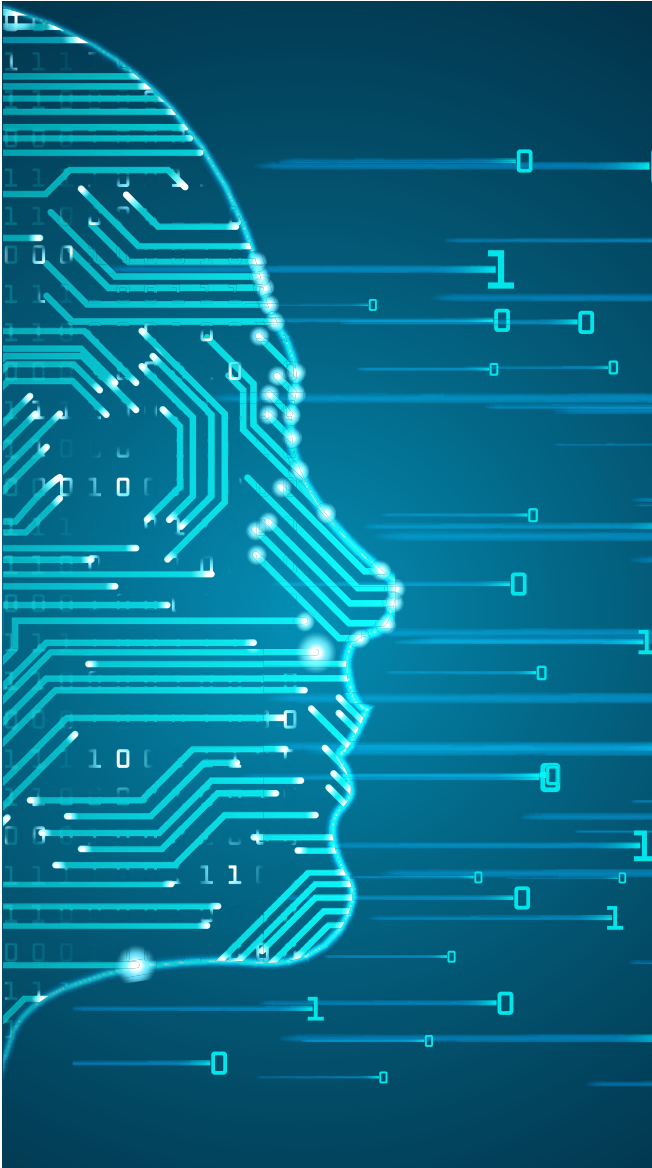
I would like to thank National AI Centre (Department of Industry, Science and Resources), PKF and Diligent for their commitment and support of this important project.

I hope this report serves as a valuable resource for all stakeholders, guiding them towards a future where AI benefits are accessible to all, fostering a more competitive and innovative Australian economy.

A handwritten signature in black ink that reads "Pauline B Vamos".

Pauline Vamos, FGIA FCG, BALLB, FASFA, GAICD
Chair, Governance Institute of Australia

Executive summary



Artificial intelligence adoption is accelerating but a growing divide is emerging between the largest organisations and their smaller and not-for-profit counterparts.

The **2025 AI Deployment and Governance Survey** provides a snapshot of how Australian organisations are using AI.

The survey's findings reveal uneven adoption, gaps in governance, insufficient training, and uncertainty about measuring AI's return on investment – all significant barriers preventing organisations from harnessing AI's potential.

The divide is more than merely a technological challenge for business.

With small enterprises accounting for 98 per cent of Australia's business community, their limited AI adoption poses a tangible risk to the nation's economic competitiveness.

If small business and NFPs fail to implement AI effectively, they will struggle to keep pace with their larger counterparts, limiting innovation, reducing competition, and weakening the resilience of the Australian economy.

This report examines how organisations are implementing AI and outlines practical steps for smaller businesses to close the gap – ensuring

AI becomes a benefit for all. It also highlights the role for government supporting a large and diverse business community currently lacking the tools and resources to deploy AI effectively.

AI remains a work in progress for Australian business.

Organisations are grappling with questions of risk, compliance, and accountability while navigating an ever-evolving regulatory environment.

Yet it is increasingly clear that AI is widely used across most organisations whether leaders realise it or not.

The rapid democratisation of AI and the growing availability of affordable AI tools means the powerful technology is being deployed undetected across the community.

Nearly nine in 10 survey respondents report AI use in their organisation.

But despite widespread usage, a lack of training is hindering the effectiveness of this deployment.

Almost half of respondents report that they have received no training in AI – and some two-thirds say their organisation is yet to develop training programs. Meanwhile, organisations say a lack of

Executive summary

knowledge and poor digital literacy is the single biggest barrier preventing the effective rollout of AI.

The scale of these challenges is significant.

A striking 93 per cent of respondents say they are unable to effectively measure return on investment for AI initiatives, while 88 per cent report difficulties integrating AI with existing systems.

With nearly half of respondents saying their organisation is using AI in just one isolated business function, the technology's transformative potential remains largely untapped.

There is a path forward.

The federal government's National Artificial Intelligence Centre (NAIC) was established in 2021 to support adoption of AI and nurture a healthy AI ecosystem in Australia. NAIC offers free courses, resources to help support the AI industry, and has developed a set of guidelines on responsibly and safely using AI. Four new AI Adopt Centres, have also been established to provide expert support directly to SMEs, including free specialist training.

But while government support is crucial, business itself must take responsibility for bridging the AI divide.

Organisations of all sizes need to prioritise AI literacy, invest in training, and develop robust governance frameworks to harness AI's potential safely and effectively.

The case studies in this report demonstrate how leading organisations are successfully deploying AI through careful planning, appropriate governance structures, and a commitment to upskilling their workforce.

Their experience offers valuable lessons for all organisations making their AI journey.



Survey results




Lack of knowledge or understanding
Highest barrier to implementing AI

64% Organisations have yet to offer any AI training programs

Aren't planning to in the next 12 months **45%**

88% report difficulties integrating AI with existing systems.




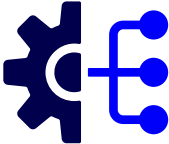
Staff training and digital literacy
the biggest challenge in AI adoption



Almost half report that they have received no training in AI




Nearly half say their organisation uses AI in just one isolated business function




9/10 Survey respondents report AI use in their organisation

93% say they can't measure return on investment for AI initiatives effectively



65% of those using AI used it for content creation



Key observations



What businesses can do now to start their AI deployment journey

AI may be deployed unnoticed or undetected in discreet or localised parts of the business. Understanding where AI sits within the organisation can drive better performance and help to inform better decision-making and strategic capabilities for the Board.

Start by auditing all operational software systems used across the organisation to understand how AI is currently being deployed by staff, suppliers and customers. In doing so, consider the effects of software updates on legacy systems where new or undetected AI features are being integrated without notice. Align these capabilities with internal policy and strategic decision-making frameworks paying particular attention to regulatory compliance metrics such as privacy and copyright laws.

A lack of staff engagement, training and digital literacy of executive teams and the Board may act as a significant barrier to effective AI deployment. Seek to better understand the attitudes and competencies of AI across internal and external stakeholder groups.

Build awareness of AI training tools and models so that staff familiarise themselves with what

Key observations



AI can help them achieve in the workplace. Democratise the deployment of AI by designating operational AI champions, AI mentors or AI team leaders that can help localise AI use within teams and demonstrate its value-add to the business. Consider key performance indicators (KPIs) that reward staff, suppliers and customers that engage with AI responsibly, safely and productively.

Further support for business

Measuring the return on investment from AI can be challenging. Understanding where AI supports an uplift in profitability and productivity across the organisation may be achieved through various metrics such as time saved, scalability, reach, new business creation, staff hours, innovative products and services brought to market.

Measuring the benefits of AI may be difficult to capture or specify and report to the Board. 93 per cent of respondents to the survey question say they have not been able to measure the return on investment.

It is useful to start with the value proposition and business case for adopting and investing in AI products. Where staff have been involved in using or implementing AI systems and tools, it may be helpful to consider measuring productivity, customer and/or employee satisfaction.

The survey results demonstrate a significant polarisation and spread of risk appetite and capabilities. Whilst larger well-resourced organisations understand the value-proposition, smaller and less resourced sectors require further training and support, the perceived time, effort and complexity involved in understanding how the technology impacts the business is acting as a significant barrier. Governance excellence is at the heart of effective AI implementation and deployment which can be quite complex and challenging for smaller sized entities. For businesses exploring the technology, AI governance frameworks should not come as an after-thought, but a template for discussions with staff, stakeholders and where buy in is necessary from the board.

Without a comprehensive understanding of where organisational value add lies, or what the regulatory and legal requirements look like, AI

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It is useful to start with the value proposition and business case for adopting and investing in AI products.

Key observations

deployment can look like a daunting ordeal, and pursuing AI technologies may be thrown out altogether. This raises concerns with competition policy. Large industry players are steam rolling ahead at speed – smaller sized businesses are being left behind driving a huge divide in productivity, profitability and job type.

What is the role for government?

Australian businesses are adopters of broad-scale technologies designed and developed across international jurisdictions with fewer design barriers and regulations. This is leading to shelf-products that trigger privacy concerns, bias and discrimination or other barriers affecting its effective deployment. The adoption and implementation of AI agents and models are triggering practical regulatory and legal challenges for most businesses inhibiting their adoption. This is a reflection of the inherent design flaws in the technology, and it may prove practically difficult for most businesses to work around this.

Most businesses are waiting for first movers or the industry as a whole to move ahead. Some businesses are pulling legacy systems offline because of AI creep in products and services that don't meet Australian regulations and there's no



way of switching these features off. If we want smaller sized businesses to adopt AI, we can't expect the same level of governance assurances as large corporations because the technology becomes too difficult, risky or expensive to incorporate commercially. Government may be able to step in with laws that regulate the inherent design features of AI products and services offered here that are developed in jurisdictions elsewhere with fewer assurances. AI products and services should be designed, developed and offered to Australian entities with Australian technical standards in mind. These

technical standards should align with other jurisdictions where possible to lower costs and barriers of entry of the technology locally.



Large industry players are steam rolling ahead at speed – smaller sized businesses are being left behind driving a huge divide in productivity, profitability and job type.

Making AI work in your organisation

AI CoLab Co-Head Paul Hubbard has spent the past year examining how Australians are implementing AI. His advice? Put humans at the centre.

Artificial intelligence is starting to transform how organisations operate. But rapid adoption is not yet matched by clarity on the best ways to implement, govern, and build capability around the new technology.

The AI CoLab, a cross-sector collective impact initiative with funding from the Australian Public Service Capability Reinvestment Fund has been examining and testing barriers to innovation, was established to help address the challenge.

Paul Hubbard has been speaking to organisations about their AI plans and working to help them understand the barriers to innovation and his insights are changing the way Australia views AI.



There's no degree in generative AI. There's no expert or guru.



Paul Hubbard
Co-Head, AI CoLab

"There's no degree in generative AI. There's no expert or guru," says Hubbard.

"The way that we learn is by experimenting and playing safely – and learning from peers."

AI CoLab's work has identified the key factors behind AI success: a whole-of-organisation shared understanding founded in human-centred design, and a hands-on, education-first attitude among leaders.



Human-centred design

Human-centred design is a problem-solving approach that aims to ensure people's needs are at the centre of any planned change. Ultimately, it means looking to stakeholders to ensure technology is serving real needs.

"For AI, a human-centred design approach starts with identifying the problems that humans face and exploring ways to solve these together, rather than leaping to a particular technological solution," says Hubbard.

This helps ensure that the adopted approaches are not just technologically correct but also can be trusted by users and others impacted.

"It's good risk management practice to 'test with' impacted stakeholders well before deployment," he says.

Hands-on approach

A significant barrier to effective AI deployment in Australia is a lack of staff engagement and ineffective training, alongside poor digital literacy among executive teams and directors.

"Organisational leaders can face up to those challenges by championing AI across their business and taking a hands-on role with the technology," says Hubbard.



“AI is still in its formative stages. Generative AI suffers from what researchers call a ‘jagged technological frontier’: pairing mind-blowing capabilities with the inability to complete trivial tasks like basic maths. That unpredictability and propensity for error means it cannot be a ‘set-and-forget’ exercise,” says Hubbard.

“Each week, competing AI labs shift the frontier forward in unpredictable ways. Tasks which were impossible two years ago may be trivial today, so keep up with the news,” he says.

Using AI for good

AI is often framed as a tool for productivity and profit, but its real value lies in its potential for bringing practical value to the wider community.

“Focusing merely on business process optimisation can lock organisations into marginal improvements, missing opportunities to connect to the fundamental problems that need solving,” says Hubbard.

“That’s where new value lies...how we can collaborate to find new ways of creating social value,” he says.

AI CoLab is cross-sector collaboration between the public sector, academia, and charities to accelerate innovation and the use of safe and effective artificial intelligence for the public good – all are welcome to find out more at aiacolab.org.

Dr Paul Hubbard is the Co-Head of the AI CoLab, a cross-sector initiative to advance inclusive and impactful uses of AI. The AI CoLab brings together government, industry, academia, and civil society, and is partly funded by the Australian Public Service Capability Reinvestment Fund.



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Case study: CommBank



Introduction and background

Commonwealth Bank of Australia (CBA) has long sought to be at the forefront of AI adoption in Australia and remains committed to scale AI responsibly.

CBA has more than 2,000 machine-learning models now handling millions of customer interactions every day.

Chief Decision Scientist Dan Jermyn, who oversees AI across the bank, emphasises the transformative potential of AI: “We don’t see any area of the bank’s operations, people, products, and services that can’t be helped by AI.”

“Anybody doing their work can be assisted to be more empowered and impactful through having access to AI technology and tooling.”

Impact

“CBA’s AI-powered Customer Engagement Engine – which has been used for nearly a decade – has improved customer experience”, says Jermyn.

Behind the scenes, GitHub Copilot has been rolled out to the bank’s approximately 10,000 engineers, providing AI-assisted coding to

accelerate software development. Engineers are now adopting up to 30 per cent of code suggestions, freeing them up to focus more on complex problem-solving and creative innovation.

Additionally, CBA has developed an open-sourced AI system that detects abusive messages sent through transaction descriptions, helping to protect customers and support the wider community.

“At CommBank, we embrace a culture of AI adoption and technology innovation that values and encourages learning, growth and development among our organisation to build a brighter future for all,” says Jermyn.

Governance frameworks and risk management

CBA has been a long-time contributor to national AI initiatives, having provided a case study for the Australian AI Ethics Principles introduced in 2019, and providing input into the NAIC’s work to promote Responsible AI development. The bank’s success with AI is underpinned by a principles-based governance framework that guides both leaders and employees.



“Our commitment to responsible AI has been a cornerstone of our AI strategy, making both the business and customers comfortable in leveraging AI”, says Jermyn.

The governance has evolved as the bank’s use of AI expands, guided by a Responsible AI toolkit that helps its people deploy AI safely by providing guidance, advice, and tools to monitor and guide the model development cycle.

“Despite increasing technical complexity, the fundamental obligations of responsible business behaviour remain unchanged, says Jermyn.”

That includes doing right by customers, being able to explain actions, keeping good records, and having good processes in place to fix things that go wrong.

Guardrail 10:

Engage your stakeholders and evaluate their needs and circumstances, with a focus on safety, diversity, inclusion and fairness.

This approach meant adapting existing governance frameworks to respond to the new challenges of AI, with a focus on explaining how the bank's models are generating outcomes, as well as developing tools and processes designed to detect unfair or unintended behaviour.

CBA's AI models can be frequently updated, requiring a nimble governance approach and tools to continuously monitor and report on system performance.

Education and training driving culture change

CBA has embedded education at the heart of its AI rollout, with modules available for leadership, technical teams, and the wider staff to support safe and effective use of technology. Focus is given to three key program cohorts: Leading with AI, Building with AI and Working with AI.

The bank's Leading with AI program is tailored to senior leadership to develop the skills to harness the power of AI and lead it responsibly, while the building with AI program provides in-depth training for technical teams on tools and safety.

"A wider program, AI for All, offers foundational education for staff across the organisation working with AI, leading to 92 per cent of those undertaking the series reporting an increased level of AI understanding, demonstrating widespread engagement across the bank," says Jermyn.

Stakeholder engagement

AI can mean different things to different people, which makes ongoing stakeholder engagement and clear communication of the scope an important part of implementing the technology.

"Our approach to deploying responsible AI is principles-based so that it's accessible to, and understandable by all."

These principles were developed to guide the design, development, deployment and use of AI systems and include fairness, transparency, accountability, and human, social, and environmental wellbeing. CBA provides further support on and operationalises these principles through existing risk frameworks and policies.

"It is important to have robust frameworks and mechanisms in place, but also an overarching community who share a common set of principles and a common alignment to purpose."

As CBA continues to innovate and expand its AI capabilities, the Bank remains committed to its vision of leveraging technology to empower their people, enhance customer experiences and help build a brighter future for all.

How AI can be used to support boardrooms

Boards are drowning in information. Directors must sift through hundreds of pages of board materials while ensuring they identify key issues, meet regulatory obligations, and exercise appropriate care and expertise.

As governance becomes more complex, artificial intelligence is increasingly being used to support boardroom processes.

But the rapid spread of AI in directors' day-to-day activities is raising a series of important new questions.

Can AI be trusted to capture what matters most? Could it lead directors to focus on the wrong things? How do boards ensure that human oversight remains central? And how do we protect sensitive board materials when using AI tools?



AI is already widely used in boardrooms – the key is deploying the technology wisely.



Phil Lim
Director of product and AI champion, Diligent



“The key is ensuring AI enhances, rather than replaces, human judgment”, says Diligent’s director of product and AI champion, Phil Lim.

“I would not want to be in a world where the key decisions are being made by AI without human oversight,” says Lim. “The whole point of governance and oversight is context – we have an understanding of humanity that AI could not have.”

Diligent’s suite of governance, risk and compliance software is used by more than a million users and 700,000 board members across 130 countries.

Diligent’s AI helps boards by organising and summarising board materials, generating insights for board discussion, identifying gaps and inconsistencies in board narratives, and creating structured board meeting notes and minutes.

Lim says this kind of AI can help directors work more efficiently by allowing them to hone in on the most important issues without being misled or distracted by minutiae.

But not all AI tools are built for governance – and Lim cautions against the risk of boards using general purpose AI models that may not come with proper safeguards.

“Purpose-built AI is a very important aspect of mitigating that risk. Organisations like Diligent, who provide board-specific solutions, have done a lot of thinking about ensuring that the use of AI is secure, safe and compliant.”

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Case study: Telstra

Guardrail 2:

Establish and implement a risk management process to identify and mitigate risks.

Guardrail 3:

Protect AI systems, and implement data governance measures to manage data quality and provenance.

Introduction and background

Telstra is Australia's largest telecommunications provider, serving households, businesses, and government with a full range of mobile, broadband, and fixed-line services.

But with origins dating back more than a century – and a long history as a government-owned, statutory monopoly – Telstra now operates within a complex technology and data ecosystem.

To manage this, the company is at the forefront of AI adoption in Australia, using the latest advances in AI to rethink processes and reshape operations.

Data governance and legacy systems

Managing AI within a business as large as Telstra presents unique challenges including system complexity and data quality. Leading in the responsible use of AI also means ensuring a return on the investment, which requires strong data governance.

Some business units, like the consumer and network divisions, were able to quickly adopt AI due to previous digitisation efforts, while others have needed to make greater adjustments.

"One of the bigger hindrances is actually the complexity of our technologies and data estate and the quality of data. It all starts with the data," says Lisa Green, who leads Telstra's AI solutions group.



"Where we've seen maturity in those spaces that tends to be where we're seeing maturity in AI adoption and greater value generation."

Finding the value proposition, realising productivity gains

Telstra's AI rollout started with a focus on improving efficiency and reducing error rates. But as technology evolved, so did its ambitions.

Guardrail 4:

Test AI models and systems to evaluate model performance and monitor the system once deployed.

Guardrail 5:

Enable human control or intervention in an AI system to achieve meaningful human oversight across the life cycle.

Today, Telstra has an externally measured goal of embedding AI in 100 per cent of its key business processes. Activities including customer interactions and product activation are set to be AI-enabled by the end of the year. And now, with their recently announced joint venture with Accenture, Telstra aims to shift from just embedding AI to rethinking and reinventing how they operate entirely.

Governance, risk and human oversight

Chris Dolman, who leads AI Risk and Ethics at Telstra, says governance has had to evolve in parallel with the rollout.

“We have a responsible AI policy [that] puts obligations on what we call AI system owners – including managing the risks, identifying them, running controls,” he says. Telstra’s policy has been in place for many years and has evolved several times along with the technology.

Telstra says the Australian AI Ethics Principles are an important factor in grounding the business’s approach to AI.

“We made a commitment to the Australian AI ethics principles quite some time ago,” says Dolman.

“That sort of public commitment is really helpful to ground your policy and processes.”

“As the technology changes, you’re going to have to adapt those processes—so coming back to that initial intent and that commitment you’ve made is something that you regularly do.”

“It’s quite a powerful thing to have done that because it keeps you centred on what you’re actually trying to achieve.”

Structured testing and screening

Telstra runs a structured testing and review process before deploying AI, starting with an initial rapid screen to determine whether a system requires further assessment, followed by more intensive review depending on potential impact.

The risk assessment process is formalised in a committee that draws on expertise from a wide range of areas, such as privacy, cyber security, data science, legal and communications. This helps the individual AI system owners and the wider business be confident risks have been identified and controlled.

“Because the risks of AI are so diverse and the opportunities are so diverse, you’ve really got to make sure you’ve got diverse experience and background in that committee,” says Dolman.

Opportunity to fundamentally rethink processes

The structured governance and risk management framework has given Telstra the confidence to move beyond implementing AI simply in existing processes and instead start to fundamentally rethink how processes might work.



Green says AI tools like Microsoft's Copilot are saving staff one to two hours a week, with 90 per cent reporting it is improving the way they work.

While front line tools – including generative AI tools Ask Telstra and One Sentence Summary, which provide instant access to company knowledge and a quick summary of a customer's recent history – are improving customer interactions. Ask Telstra has improved handling times by one minute per interaction, and One Sentence Summary is reducing repeat customer contact rates by 10 per cent.

Dolman says AI must demonstrate clear value before deployment.

"A question we're asking very early in the governance process is, 'is this a valuable solution?' And value can mean lots of different things depending on what exactly AI systems are doing."

Responsible AI adoption and training

As AI adoption expands, effective training has become essential to ensure employees can use the tools effectively and responsibly.

Green says training comes in two parts – responsible AI adoption and leverage, alongside specialist training for the people implementing the technologies.

"With Copilot, our people don't even get a license without doing the training. This helps ensure they utilise the technology responsibly and understand how they can effectively use it in their day-to-day work," she says.

"There's tailored learning pathways for all of our people based on their role and we're continuing to add more and more as the technology is evolving."



As AI adoption expands, effective training has become essential to ensure employees can use the tools effectively and responsibly.

AI and auditing

Artificial intelligence is the latest step in a natural progression of technological advances that promise to improve efficiency and accuracy for business reporting and operations.

“But just as with earlier innovations, businesses must earn the right to rely on the new technology by spending time planning, preparing, and conducting thorough trials before implementation,” says PKF’s Ken Weldin.

“The transformation piece comes from getting from A to B quicker – that’s attractive because it frees up critical thinking time so we can spend our time with the things that really matter.”

“But the key is earning the right to rely on the outcomes of AI and earning the right to use them in a safe manner.”



Business must earn the right to rely on the output of artificial intelligence systems by carefully planning their implementation.



**Ken Weldin FGIA FCG
Partner, PKF**





“Planning, planning, planning. Preparation, preparation, preparation – take the time to set it up, do your trial runs, earn the right to rely.”

PKF is a top 10 Australian accounting firm that provides advisory, tax and audit services.

The firm uses AI across its operations and is seeing successful AI applications among clients in areas as diverse as automated data entry, predictive analytics, expense management, initial tax preparation, fraud detection, risk assessment and audit planning.

Weldin says the AI rollout in financial reporting has echoes of earlier technological change like the arrival of the spreadsheet in the 1970s, when early adopters had to spend time carefully verifying the accuracy of formulas and understanding the potential for data loss and error.

“File save, check the formulas – those were the guard rails back then.”

Today’s guardrails play a similar role.

“The AI guardrails are critical,” says Weldin.

“If you apply the guardrails – and expressly demonstrate that you’ve applied them – then trust and confidence can be enhanced both for the producer of the information as well as the consumers of it.”

Weldin says AI will inevitably become widespread across business operations.

“It’s possible in this day and age to make a car without using a robot – but you would probably choose not to if you want to remain efficient and cost effective.”

“As AI tools become more embedded and people have more confidence in them, you’ll start to see them being used more often than not.”

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Case study: Sydney University

Guardrail 1:

Establish, implement and publish an accountability process including governance, internal capability and a strategy for regulatory compliance.

Guardrail 3:

Protect AI systems, and implement data governance measures to manage data quality and provenance.

Introduction and background

Few sectors are experiencing the challenges and opportunities of AI as profoundly as academia. The University of Sydney is using the paradigm change to rethink teaching.

Universities are tasked with addressing AI's impact on assessment integrity, student behaviour, and academic standards, all while preparing graduates for careers in an AI-driven world.

At the University of Sydney, these challenges have led to deliberate efforts to integrate AI carefully into teaching, research, and governance.

"When ChatGPT was released, there was a moment that made us think the way that we've been doing things can't keep going on," says Danny Liu, professor of educational technologies at the University of Sydney.

"There's going to have to be shifts in assessments, how we learn and teach, and how we do research and operations because of the capabilities of AI. It was a watershed moment."

As a result, in early 2023, the University of Sydney established a set of guidelines, principles, and guardrails to guide the adoption of AI and started focusing on building awareness, improving skills, and providing access to AI tools to staff and students.



CRAFT framework

The CRAFT framework – Culture, Rules, Access, Familiarity, and Trust – provides a structured approach to addressing the challenges of AI adoption in education. Liu has been a lead collaborator developing the framework, which will inform AI use across the Association of Pacific Rim Universities.

For students, a key challenge has been a sense of uncertainty surrounding AI use. Liu says many feel unsure about whether they are permitted to use AI tools, how to use them effectively, or whether disclosing their use might

Guardrail 4:

Test AI models and systems to evaluate model performance and monitor the system once deployed.

Guardrail 2:

Establish and implement a risk management process to identify and mitigate risks.

have negative consequences. The CRAFT rules addresses these concerns, fostering a cultural shift around AI use in learning.

For educators and researchers, there are questions around the appropriate use of AI in teaching and research – such as what data can be shared with AI systems or how AI-generated content aligns with academic integrity.

For leaders, the university has been focusing on helping them model responsible AI use and encouraging a balanced view of both the opportunities and risks of AI adoption.

Preparation for professional practice

At the University of Sydney's Law School, the integration of AI into legal education has come as a way to ensure graduates are equipped for a legal profession that is being quickly transformed by the technology.

Australia's leading law firms are building dedicated AI capabilities that are being used for many of the functions once performed by graduates.

"They are really pushing the envelope in terms of the use of artificial intelligence for drafting contracts, for example — typical tasks that graduate lawyers would be doing in their first year," says the Law School's educational designer, Dr Stafford Lumsden.

"So, we're in a position now where we have to upskill our students to enter the profession at a much higher

level, beyond first year graduates, because a lot of those basic tasks that they might have been responsible for in the past are now being increasingly taken on by artificial intelligence."

Policing safe AI usage

Lumsden says monitoring students' use of AI can be tricky. "It's difficult to monitor — we don't know what students are doing at home or off campus. They're going to be using AI for good or for bad."

Partly, usage policies are guided by close adherence to regulatory standards. For the university's law students, policies are shaped by the requirements of the NSW Supreme Court and the broader responsibilities of legal professionals to the court. The state's chief justice issued a practice note this year outlining how and when AI can be used in court proceedings – and the Law School's policies reflect these requirements.

Misconduct in law school can impact a student's ability to be admitted to the profession, which Lumsden says is itself a motivation for students to use AI tools ethically.

Liu adds that the university also has developed a set of coherent guidelines, guard rails, and rules around AI use that also provide a framework for safe and responsible adoption.

Voluntary AI Safety Standard



The [Voluntary AI Safety Standard](#) provides practical best practice guidance on how to safely and responsibly use and innovate with AI.

At the heart of the Voluntary AI Safety Standard are [ten guardrails](#) – foundational principles that aim to ensure organisations across the nation can benefit from AI while managing the risks that the new technology poses to organisations, people, and groups.

The voluntary guardrails ask organisations to spend time understanding their employee's use of AI, engaging with stakeholders, and developing appropriate risk assessments and controls.

The standard is designed to guide organisations to:

- raise the levels of safe and responsible capability across Australia
- protect people and communities from harms
- avoid reputational and financial risks to their organisations
- increase organisational and community trust and confidence in AI systems, services and products
- align with legal obligations and expectations of the Australian population
- operate more seamlessly in an international economy.

The 10 guardrails at a glance

1. [Establish, implement and publish an accountability process including governance, internal capability and a strategy for regulatory compliance.](#)

Guardrail one creates the foundation for your organisation's use of AI. Set up the required accountability processes to guide your organisation's safe and responsible use of AI, including:

- an overall owner for AI use
- an AI strategy
- any training your organisation will need.

2. [Establish and implement a risk management process to identify and mitigate risks.](#)

Set up a risk management process that assesses the AI impact and risk based on how you use the AI system. Begin with the full range of potential harms with information from a stakeholder impact assessment (Guardrail 10). You must complete risk assessments on an ongoing basis to ensure the risk mitigations are effective.

3. [Protect AI systems, and implement data governance measures to manage data quality and provenance.](#)

You must have appropriate data governance, privacy and cybersecurity measures in place to appropriately protect AI systems. These will differ depending on use case and risk profile, but organisations must account for the unique characteristics of AI systems such as:

- data quality
- data provenance
- cyber vulnerabilities.

4. [Test AI models and systems to evaluate model performance and monitor the system once deployed.](#)

Thoroughly test AI systems and AI models before deployment, and then monitor for potential behaviour changes or unintended consequences. You should perform these tests according to your clearly defined acceptance criteria that consider your risk and impact assessment.

5. [Enable human control or intervention in an AI system to achieve meaningful human oversight across the life cycle.](#)

It is critical to enable human control or intervention mechanisms as needed across the AI system lifecycle. AI systems are generally made up of multiple components supplied by different parties in the supply chain. Meaningful human oversight will let you intervene if you need to and reduce the potential for unintended consequences and harms.

Voluntary AI Safety Standard

6. [Inform end-users regarding AI-enabled decisions, interactions with AI and AI-generated content.](#)

Create trust with users. Give people, society and other organisations confidence that you are using AI safely and responsibly. Disclose when you use AI, its role and when you are generating content using AI. Disclosure can occur in many ways. It is up to the organisation to identify the most appropriate mechanism based on the use case, stakeholders and technology used.

7. [Establish processes for people impacted by AI systems to challenge use or outcomes.](#)

Organisations must provide processes for users, organisations, people and society impacted by AI systems to challenge how they are using AI and contest decisions, outcomes or interactions that involve AI.

8. [Be transparent with other organisations across the AI supply chain about data, models and systems to help them effectively address risks.](#)

Organisations must provide information to other organisations across the AI supply chain so they can:

- understand the components used including data, models and systems
- understand how it was built
- understand and manage the risk of the use of the AI system.

9. [Keep and maintain records to allow third parties to assess compliance with guardrails.](#)

Organisations must maintain records to show that they have adopted and are complying with the guardrails. This includes maintaining an AI inventory and consistent AI system documentation.

10. [Engage your stakeholders and evaluate their needs and circumstances, with a focus on safety, diversity, inclusion and fairness.](#)

It is critical for organisations to identify and engage with stakeholders over the life of the AI system. This helps organisations to identify potential harms and understand if there are any potential or real unintended consequences from the use of AI. Deployers must identify potential bias, minimise negative effects of unwanted bias, ensure accessibility and remove ethical prejudices from the AI solution or component.

For more information about the standard, please visit www.industry.gov.au/publications/voluntary-ai-safety-standard

Case study: MYOB

Guardrail 1:

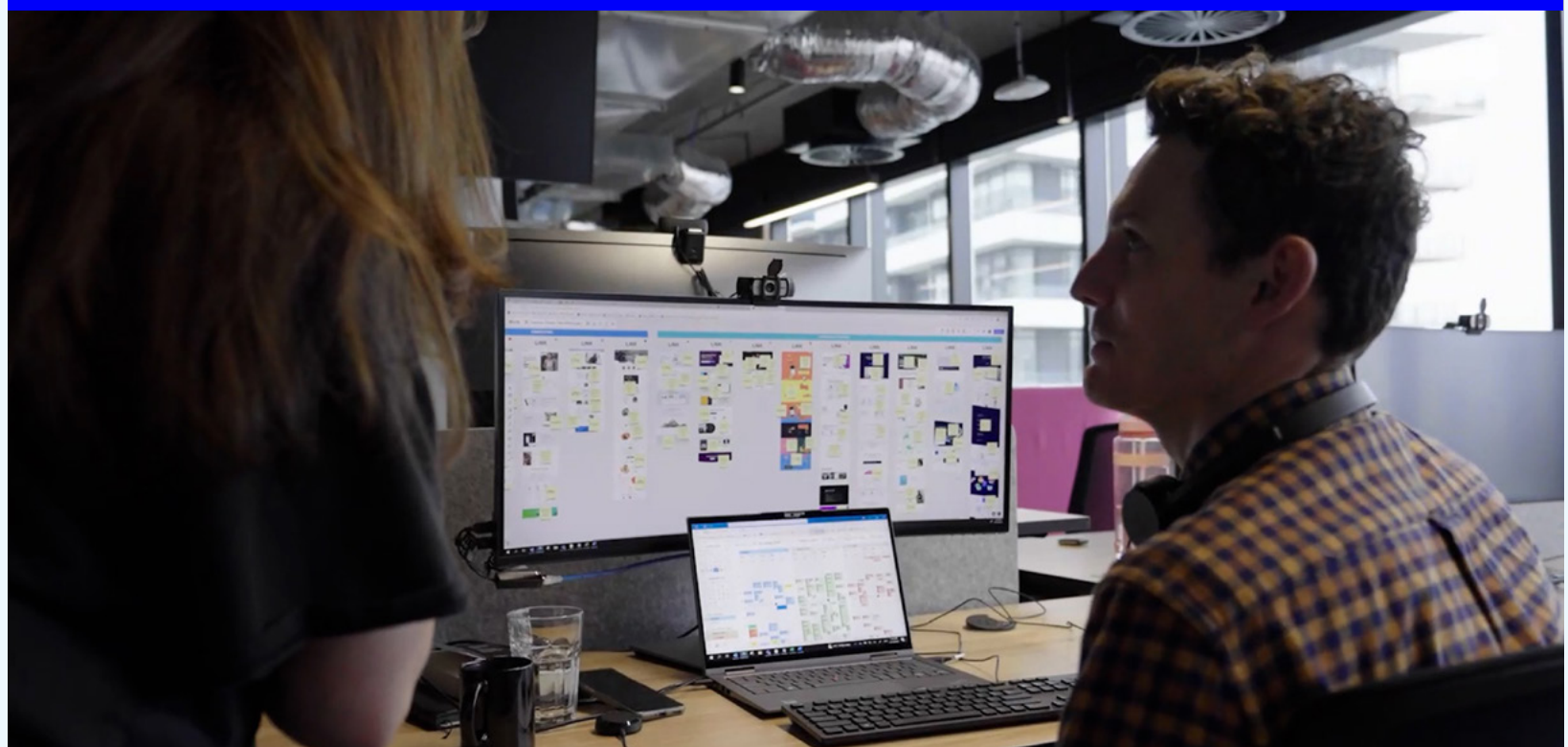
Establish, implement and publish an accountability process including governance, internal capability and a strategy for regulatory compliance.

Guardrail 2:

Establish and implement a risk management process to identify and mitigate risks.

Guardrail 4:

Test AI models and systems to evaluate model performance and monitor the system once deployed.



Introduction and background

MYOB is a leading provider of business management solutions for small and medium businesses and was one of the first wave of Australian tech start-ups with origins dating back to the dot com boom of the 1990s.

Famous as Australia's first 'unicorn' – tech shorthand for companies that reach a \$1 billion dollar valuation – MYOB has long been at the forefront of technological innovation.

Now, the business is embracing AI to deliver the next wave of customer service, new products and features, and operational efficiencies.

Guardrail 4:

Test AI models and systems to evaluate model performance and monitor the system once deployed.

Guardrail 5:

Enable human control or intervention in an AI system to achieve meaningful human oversight across the life cycle.

AI governance – balancing safety vs strategy

MYOB has adopted a dual-lens approach to AI governance that considers the technology from two important perspectives – first, considering safety issues and responsible use, and second, examining the commercial and strategic potential of the technology.

“Safety means careful vendor selection, data protection, and caution about how much trust is placed in the outcomes of AI processes”, says Tracy Moore, MYOB’s General Manager of AI and Data.

“It has so much potential for you to serve your customers better, for you to be better for your own mental health, to be better for your family, and your communities,” she says.

“Investing time in learning more about the way AI works and can add value to our personal and professional lives will stand everyone in good stead as we move through this significant technological and cultural shift.”

Company-wide adoption and measurement

Moore says MYOB’s path to AI started with a cross-department group of MYOB team members across technology, cyber-security, and legal who saw the early benefits of the technology, building the business case for executive endorsement.



That team was also responsible for creating a sophisticated set of measurements to judge whether each individual investment in new AI technology would deliver value.

“In the beginning these measurements included time-based studies, workflows or surveys. We asked ourselves, what is the monetary value if we continue using this? It was very bottom-up to begin with – and we tried to measure things wherever possible,” she says.

MYOB leans heavily on the NAICs Voluntary AI Safety Standard.

“I think this is an important tool as it helps organisation navigate uncertainty and effectively manage risks when using AI within their businesses.”

“All of our stakeholders — internal, external, executives, technologists, customer support teams — have something to refer to. It’s unambiguous”.



“As the industry quickly tries to understand and adopt AI capabilities, the standard offers clear guardrails on how develop and deploy AI in a safe and reliable way.”

The challenge of marketing hype

Moore says businesses should be careful to verify the efficiency and time-saving promises being made by AI vendors.

“One risk that I think organisations need to be wary of is the proliferation of exciting new AI solutions and the assumption that ‘if we just buy X, Y, Z new tool, it’ll do everything I need.’”

This means businesses should focus on getting value from tools already in their organisations rather than being swayed by the temptation to buy new ones.

“It’s about trying to help people understand the difference between AI as a concept versus any specific vendor tool.”

The difference between internal tools and customer-facing AI

Moore highlights a common misconception – assuming AI’s ease of use translates into the ability to easily build customer facing applications.

“Because prompting [is] so easy – it’s using the natural language we already speak, anybody can get started,” she begins, “So it’s easy for people to think building the next cool feature for our customers might be that easy.”

But production grade software requires rigorous testing, security, and safety. This connects to Guardrail 4: ongoing monitoring and management throughout the system’s lifecycle. AI software isn’t ‘set and forget’ like traditional software.

Scaling AI and training

Moore says the next step for MYOB, beyond the early adopters, was to roll out AI training across the organisation, building an “AI Everyday” program to help team members grow the right mindset and skillset to use AI safely.

“This is the next wave of adoption – going to the people who aren’t the self-selected early adopters and helping them understand what’s possible and how to take steps for their own workflows. Now we have growing communities who help each other to learn and adopt. It’s a real flywheel effect of learning and growth”.

Case study: Back on Track Foundation

Guardrail 1:

Establish, implement and publish an accountability process including governance, internal capability and a strategy for regulatory compliance.

Guardrail 2:

Establish and implement a risk management process to identify and mitigate risks.

Guardrail 4:

Test AI models and systems to evaluate model performance and monitor the system once deployed.

Each year, more than 1,000 children in Australia are diagnosed with cancer – a life-changing event that can derail not only their health but also their education.

The Back on Track Foundation provides personalised educational and emotional support programs to children recovering from cancer, helping them and their siblings succeed academically.

For Back on Track CEO, Kylie Dalton, AI has emerged as a tool with the potential to enhance her foundation's operations and expand its reach.

Operational challenges

Back on Track provides highly personalised education programs for children recovering from cancer – a complex, time-consuming, and resource intensive process.

"We support the entire family in a real wrap-around, holistic approach," says Dalton.

"Because our kids' cancers are never the same, and the education pathways they've been knocked from are never the same, we have to adopt an individualised approach."

Adding to the challenge is the need to deliver education across multiple locations, particularly for regional and remote students with a need for in-person support.



Finding the 'value proposition' and realising productivity gains

Dalton says AI has given her new ways to capture data that was previously difficult to track and identify commonalities among students, enabling her to build education programs that can be replicated but also remain tailored to individual needs.

Back on Track provides tools including ChatGPT and Microsoft Copilot to its tutors, who can input reports and lesson plans – improving the speed and delivery of their work and enhancing their ability to think through how to approach each student.

Guardrail 5:

Enable human control or intervention in an AI system to achieve meaningful human oversight across the life cycle.



Board and executive buy-in essential

Dalton says securing buy-in from both board and her executive team has been critical to implementing AI, working closely with them to explain AI's potential and implications and consider the governance measures needed to manage risks, particularly given the foundation's work with vulnerable children.

Back on Track's adoption of AI has been grounded in careful planning and strong governance and integrates discussions about managing AI risk into its weekly strategy meetings.

Dalton says the NAICs Voluntary AI Safety Standard has been crucial in guiding her organisation's use of AI.



"As soon as those standards became available, that was something that we pulled down and circulated through all of our team. I and my board are very across it."

"My goals on safety standards are that I must always stay on top of it, but I'm also making sure that my executive team are staying on top of it and how things are changing."

"This is crucial for me."

AI literacy and continuous evaluation of AI systems, tools and technologies

Dalton says keeping up to date on emerging technologies is important as AI is evolving rapidly.

She stays informed by enrolling in courses on emerging technologies and conducting weekly strategy sessions and quarterly training with her team to assess the use and effectiveness of AI tools.

"I truly believe that the not-for-profit sector is one of the areas that will benefit most from the opportunities AI brings to level up in a space they've never been able to before."



Next up is the foundation's most ambitious AI project yet: the creation of a custom internal AI system to maintain full control over student data.

"Our students are too high risk and their privacy is paramount – by building our own technology, it is siloed, it is protected, and it will provide access points for everybody."

“

I truly believe that the not-for-profit sector is one of the areas that will benefit most from the opportunities AI brings to level up in a space they've never been able to before.

Conclusion

The 2025 AI Deployment and Governance Survey reveals critical insights about AI adoption in Australian organisations:

- *Widespread but shallow adoption* – 90 per cent of respondents report AI use in their organisation, but mostly in isolated functions and often with no oversight from organisational leadership.
- *Significant training gaps* – 47 per cent have had no work-based AI training, formal or informal, with 65 per cent of organisations lacking formal programs and 45 per cent reporting no plans to develop or offer training programs.
- *Measurement challenges* – 93 per cent struggle to quantify AI's business impact.

Integration difficulties – 88 per cent face challenges integrating AI into legacy systems.

But perhaps most importantly, the survey has identified an AI adoption gap between large and small organisations that presents significant challenges for Australian business.

Still, while the barriers to effective AI implementation are important, they are not insurmountable.

Successful AI deployment requires a multi-faceted approach: investment in training and education, development of robust governance frameworks, and a commitment to measuring outcomes.

Government support through initiatives like the National Artificial Intelligence Centre and the AI Adopt Centres provide valuable resources and Governance Institute of Australia remains committed to helping Australia advance AI in a way that upholds the highest standards of integrity and accountability.

But learning from industry leaders and following established best practices like the Voluntary AI Safety Standard is the key to helping smaller organisations begin to close the AI divide.

This is essential not just for each individual organisation's success, but for maintaining Australia's economic competitiveness in an increasingly AI-driven global marketplace.



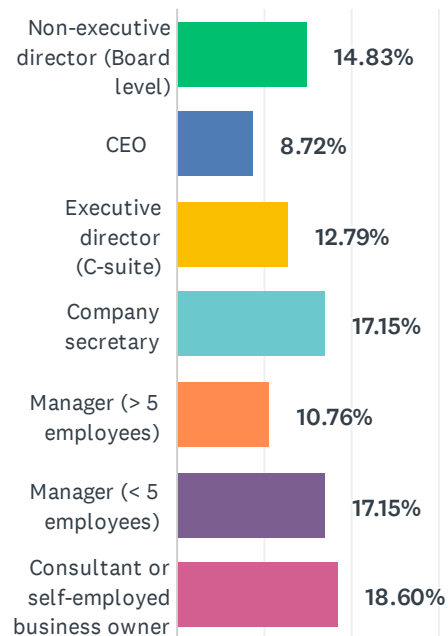
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But perhaps most importantly, the survey has identified an AI adoption gap between large and small organisations that presents significant challenges for Australian business.

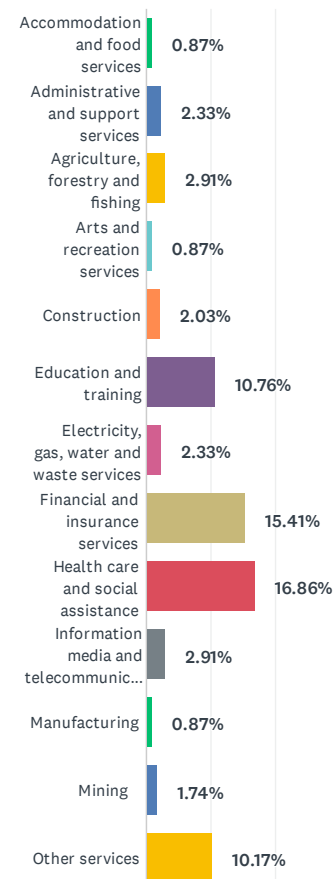
Survey results

The AI Deployment and Governance Survey was conducted in February - March 2025 and collected responses from 344 professionals across various industries, including education, financial services, healthcare, public administration, and professional services. The survey aimed to capture the current state of AI adoption, governance frameworks, challenges, and benefits observed by organisations.

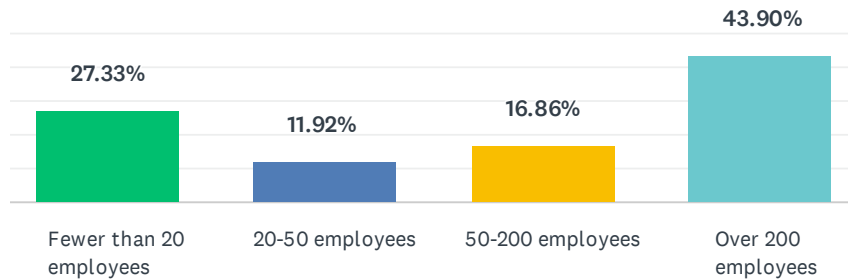
Question 1: What is your current role?



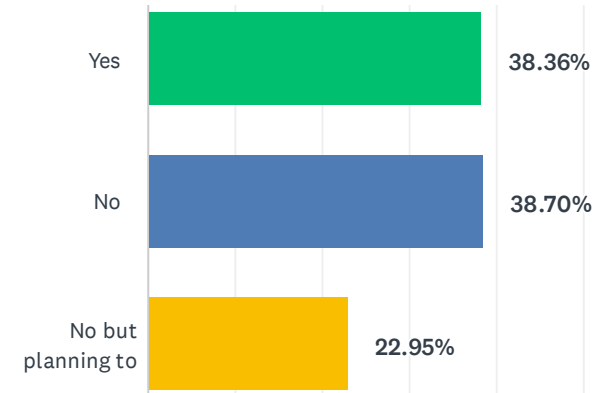
Question 2: Which industry do you work in?



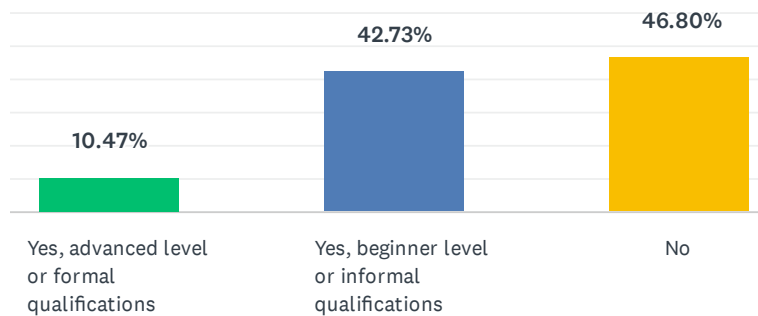
Question 3: What is the size of the organisation you primarily work in?



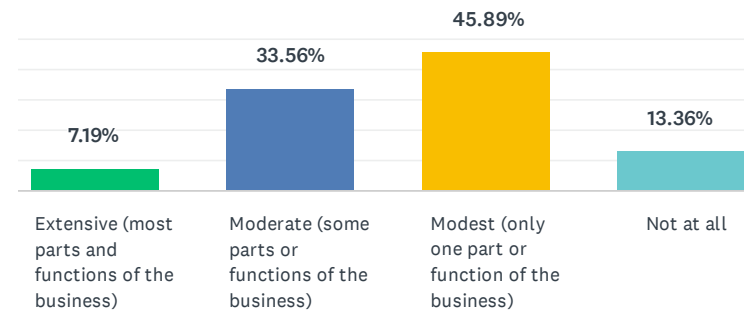
Question 5: Have you observed or undertaken an audit or other informal measure of where and how AI technology is being used within your organisation?



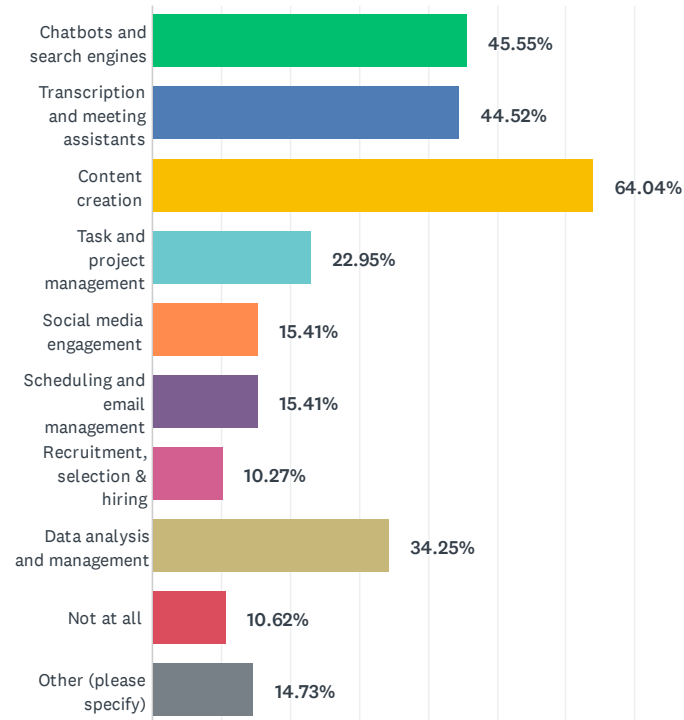
Question 4: Have you undertaken work-based, informal or formal-level training in AI technology?



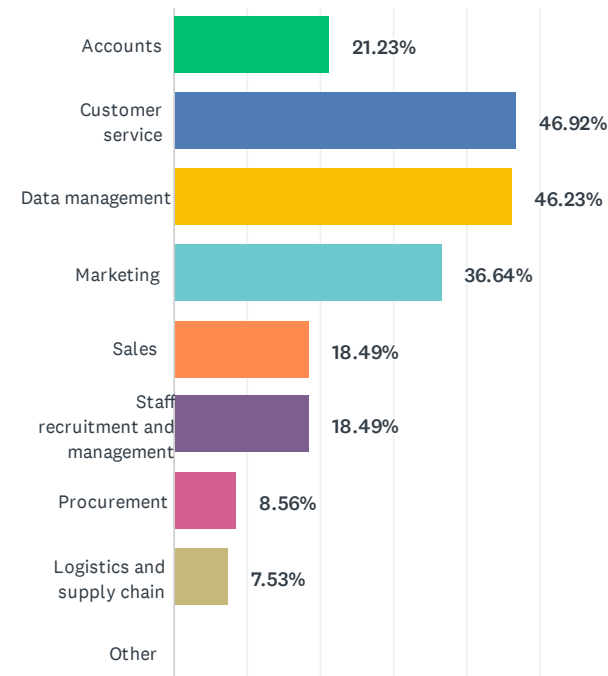
Question 6: Based on your observations how widespread is the use of AI technology in your organisation?



Question 7: How is AI being used or integrated in your organisation?

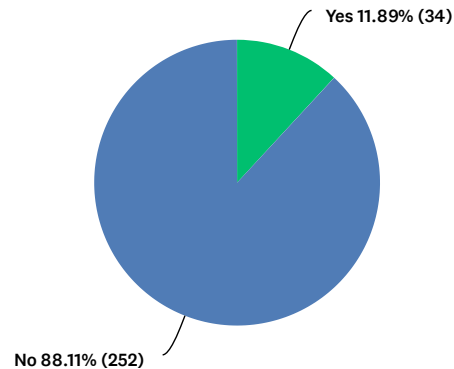


Question 8: Which parts of your business/organisation have engaged with AI?



Survey results

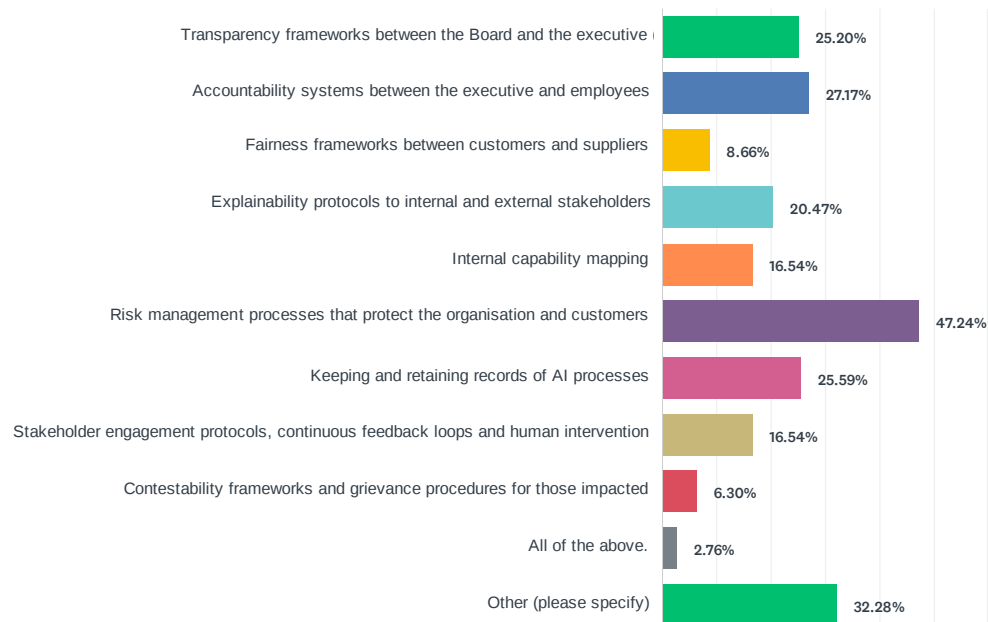
Question 9: Have you been able to successfully integrate generative AI into legacy systems? How have you managed this?



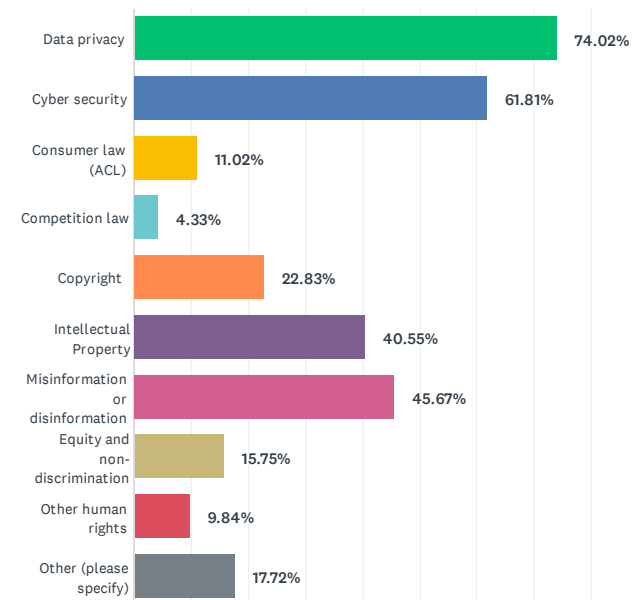
Some responses include:

- *Policies, process and the right products*
- *Hired specifically qualified person (PhD)*
- *Designing and implementing dedicated AI agents into existing workflows.*

Question 10: What governance frameworks or policies does your organisation have in place for AI deployment?



Question 11: What are the primary regulatory impediments to introducing AI across your business? (Select up to three)



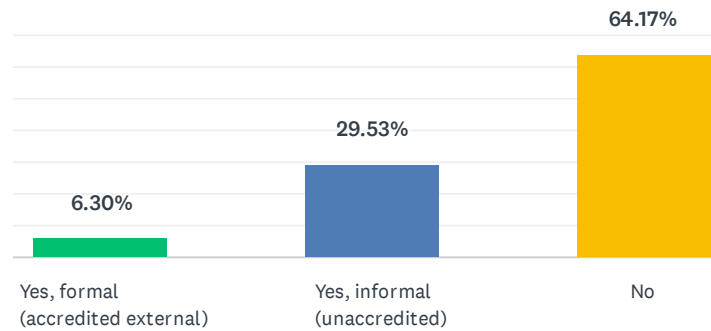
Question 12: What governance frameworks or policies does your organisation have in place for AI deployment? (Select one or more of the following below)

Some responses include:

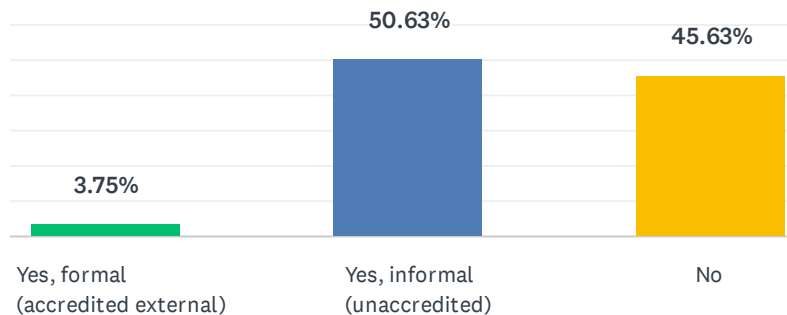
- *Training*
- *Public regulation organisation not allowed to share material externally*
- *Errors from AI that a human would not make*
- *We already had these considerations and privacy policies in place and we expanded these to incorporate the impacts of AI as we know them to be at this point in time.*

Survey results

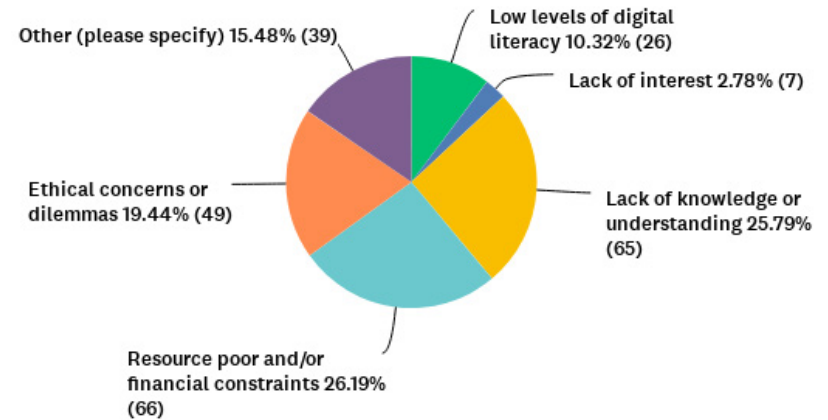
Question 13: Have you developed or offered training programs for AI?



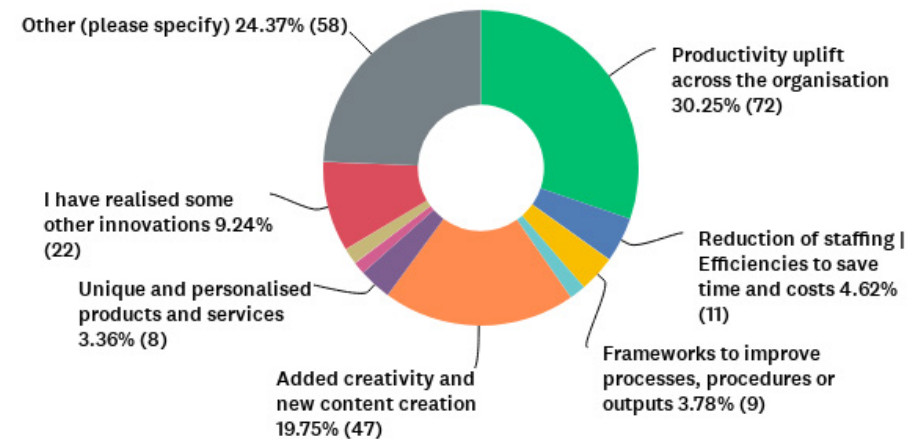
Question 14: Are you planning to develop or offer training programs for AI in the next 12 months?



Question 15: What is the primary barrier facing your organisation in managing staff adoption of AI? (Select one)

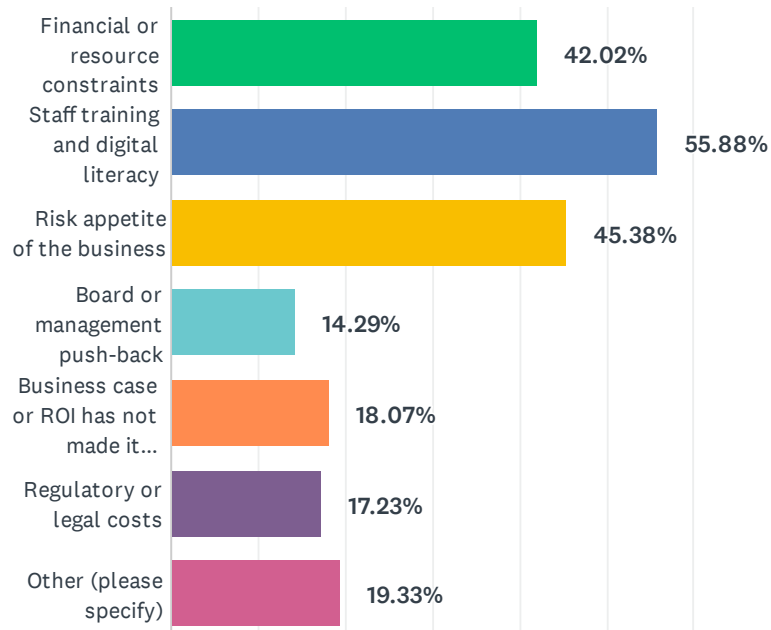


Question 16: What is the primary benefit that your organisation has experienced from implementing AI?

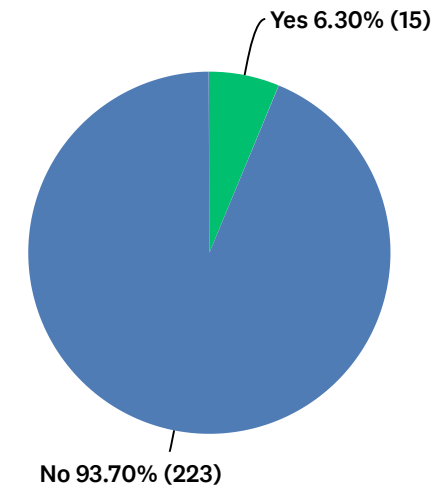


Survey results

Question 17: What challenges or obstacles have you encountered in adopting AI?



Question 18: Have you been able to measure return on investment?



Question 19: In what ways has generative AI revolutionised your organisation compared to traditional or narrow AI technologies? Please share specific examples of the transformative impact.

Some responses include:

- *Powerful tool to assist in knowledge acquisition.*
- *On the face of it, it seems to have great potential, but there are lots of questions to be answered.*
- *Generative AI is actually closer to having a true intelligence to work with. I don't need staff. Coding is now prompting - and I don't mean generating code - the output is the execution of a program that can be of extremely large scope.*
- *Task assistance*

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National Artificial Intelligence Centre

The National AI Centre (NAIC) was established in 2021 to support and accelerate Australia's AI industry. It aims to help Australia become a global leader in developing and adopting safe and responsible artificial intelligence. NAIC is doing this by: supporting AI adoption for small and medium businesses by addressing barriers and challenges, growing an Australian AI industry, convening the AI ecosystem, uplifting safe and responsible AI practice.

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About Governance Institute of Australia

A national membership association, Governance Institute of Australia (Governance Institute) advocates for governance and risk management professionals, providing community and support to over 7,500 members.

As an Institute of Higher Education, the Governance Academy provides practical training and expert insights, equipping professionals with the tools to excel in their roles and drive better decision-making in their organisations.

Our members have primary responsibility for developing and implementing governance frameworks in public listed, unlisted, and private companies, as well as the public sector and not-for-profit organisations. They have a thorough working knowledge of the operations of the markets and the needs of investors.

We regularly contribute to the formation of public policy through our interactions with Treasury, ASIC, APRA, ACCC, ASX, ACNC and the ATO. We are a founding member of the ASX Corporate Governance Council.

We are also a member of the ASIC Business Advisory Committee, the ASX Business Committee and the ACNC Sector Users Group. Many of our members work as company secretaries or in dual roles as company secretary/general counsel and are frequently the first point of contact in an organisation for notices from Commonwealth agencies and regulators seeking information.



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