

Australia

Escaping the efficiency trap: A strategic wake-up call



Executive summary

Australia is at risk of being left behind in the global pivot to AI innovation. While the rest of the world has moved on to using AI for revenue growth and new products, Australian businesses remain stuck in the “efficiency trap.” They report the lowest agreement on the shift to growth (63%) and the highest reliance on cost-cutting as a success metric. With 17% of firms admitting they still have no AI strategy at all, the data serves as a stark wake-up call: Australian businesses are treating AI as a cost-saver in an era where global competitors are using it as a revenue-driver.

Key narrative themes

The lagging strategy

Australia appears as the cautious observer in a global race. The reluctance to pivot from “cost-saving” to “money-making” is creating a strategic debt. The region reports the highest global rate for initiatives focused purely on Operating Margin and Cost Reduction (21%), and the lowest anticipation for future investment in New Product Innovation (23%).

Risk aversion and strategic voids

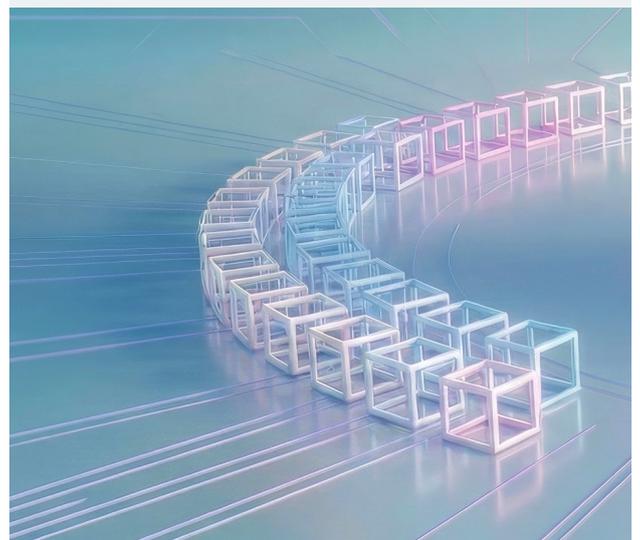
The barriers in Australia are largely internal. Risk aversion is voted a top barrier to realizing AI’s potential (26%), and a significant portion of the market lacks a roadmap entirely. The fact that nearly one in five companies admits to having no AI strategy suggests a dangerous level of complacency.

The opportunity in the workforce

Despite the strategic lag, the foundation for success exists. Agreement on AI augmentation is high (78%), meaning the workforce is ready to embrace the tools even if the strategy isn’t fully formed. However, Australian executives have low short-term expectations, with only 20% expecting a significant revenue uplift in the next 12 months.

The verdict

Australia is at a tipping point. The “wait and see” approach is no longer viable in a fast-moving global market. Australian leaders must urgently formalize their AI strategies and shift their gaze from the bottom line to the top line, or risk becoming obsolete as competitors use AI to capture market share.



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Unlocking AI’s top line growth


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