Director Sentiment Index Survey

2nd Half 2026

Data Pack



Australian Institute of Company Directors

ROY MORGAN

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Methodology

What is the DSI?

Quantifying Experience & Opinion

- The Director Sentiment Index (DSI) represents the breadth of Australian Institute of Company Directors (AICD) member opinions on a range of issues covering the Australian and global economies, government policy and governance regulations.
- The DSI has tracked business and economic attitudes for the past 15 years*, indicating shifts in business sentiment, and delivering robust and context-driven insights and trends.

DSI Survey Reports

- The Insights Report includes a summary of analysis of key questions from the survey, while the Data Pack includes further analysis of all survey questions.

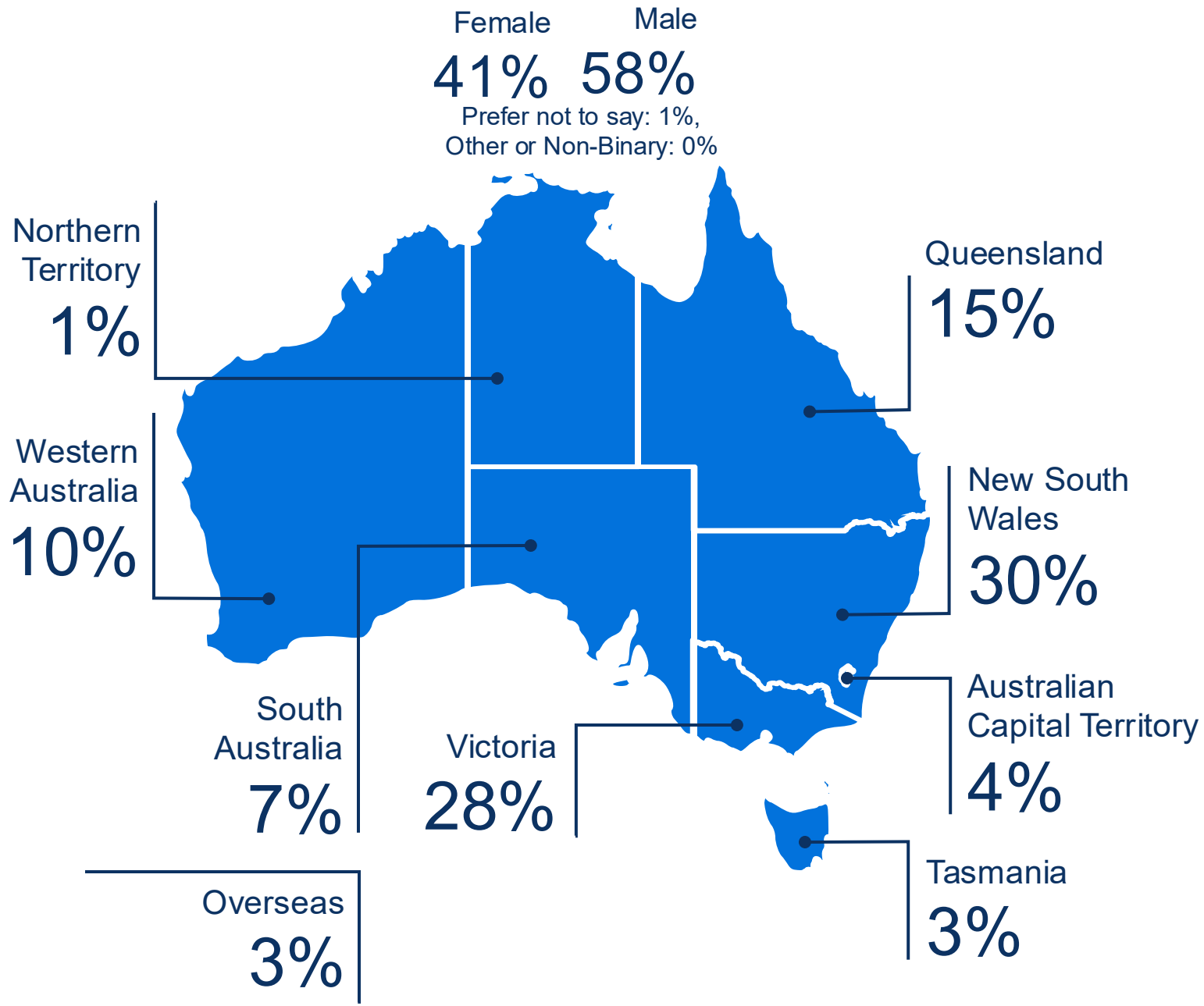
DSI Score Calculation

- The DSI Scores are calculated using a formula combining response data with question weighting to produce a score indicating whether sentiment is in positive or negative territory, and by how much. This formula is applied to determine the overall DSI score as well as scores for separate categories: Economic Outlook, Business Conditions, Micro/Structural Policy Settings, Macro Policy Settings and Directorship Conditions

* Note: Index revised in 2nd Half 2021 and 2nd Half 2026.



- The 2H 2026 DSI survey was conducted online with a sample of 1,371 directors across Australia between 22nd and 29th September 2026.
- Respondents were AICD members with current directorships.
- Survey responses were weighted by gender to reflect the AICD member profile when analysing results.
- Detailed results comparing the current wave and previous waves are included in an accompanying report.



Source: Roy Morgan AICD Director Sentiment Index Survey 2nd Half 2026. Base: AICD Directors 18+, n= 1,371

Survey Topics

DSI Topics

Economic Outlook

Next-12-month economic health in Australia, states and territories, China, Asia, Europe and the United States.

Business Conditions

Next-12-month conditions, investment, staffing, wages and costs.

Policy Settings

Government understanding of business, satisfaction with policy settings, fiscal and monetary policy.

Directorship Conditions

Governance regulations, reporting, diversity, liability and allocation of board discussion.

Topical Questions

Short and long term Federal Government priorities.

Issues keeping directors awake at night.

Interest-rate expectations and monetary policy.

Flexible-working plans.

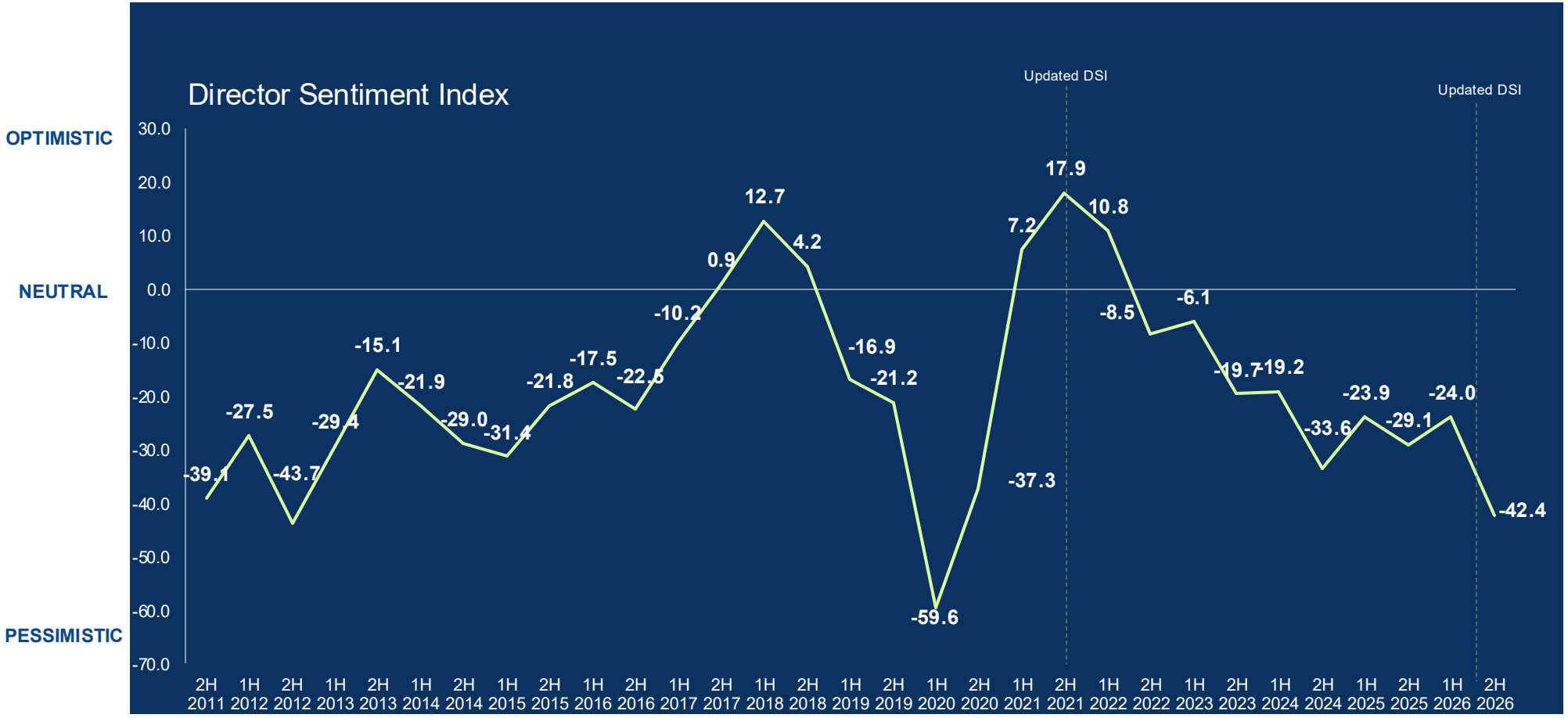
AI-related workforce changes and productivity.

Tax reform priorities and skilled migration.

Barriers to increasing business investment.

Director Sentiment Index

Overall Director Sentiment Index (DSI) has fallen to its lowest level since 2020, driven by deteriorations across the board. Confidence in macro policy conditions, business conditions and micro/structural policy settings is very low.



DSI Category Scores

Change from 1H 2026

Economic Outlook (-27) ↓

- Decreased from -1 to -28.

Business Conditions (-41) ↓

- Decreased from -19 to -60.

Micro/Structural Policy Settings (-9) ↓

- Decreased from -47 to -56.

Macro Policy Conditions (-17) ↓

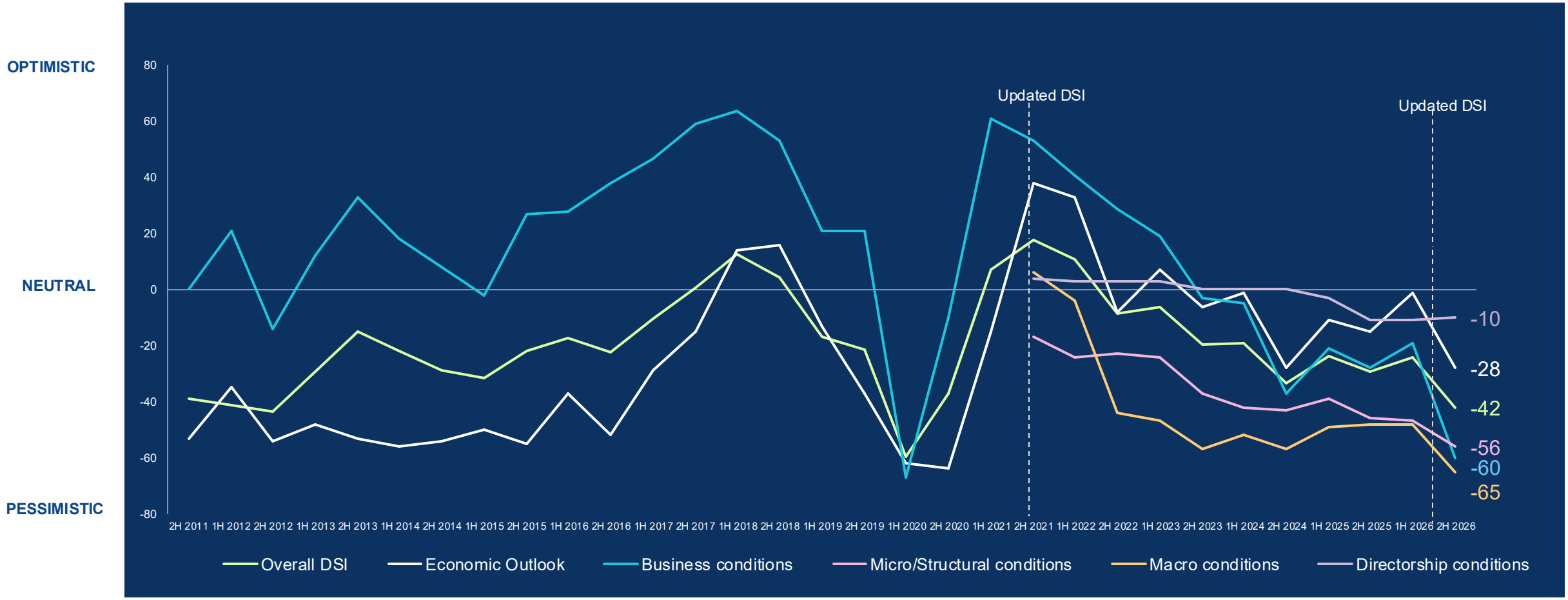
- Decreased from -48 to -65.

Directorship Conditions (+1) ↑

- Increased from -11 to -10.

Source: Roy Morgan AICD Director Sentiment Index Survey 2nd Half 2026. Base: AICD Directors 18+, n= 1,371.
Note: Revised index in 2nd Half 2021 and 2nd Half 2026

Directors report negative sentiment across all categories, with expectations for economic and business conditions taking the biggest dive.



Source: Roy Morgan AICD Director Sentiment Index Survey 2nd Half 2026. Base: AICD Directors 18+, n=1,371.
Note: Revised index in 2nd Half 2021 and 2nd Half 2026
2H 2026 survey was conducted 22nd to 29th September 2026.

Economic Outlook

Economic outlook dropped 27 points in the second half of 2026, returning to levels seen in the second half of 2024



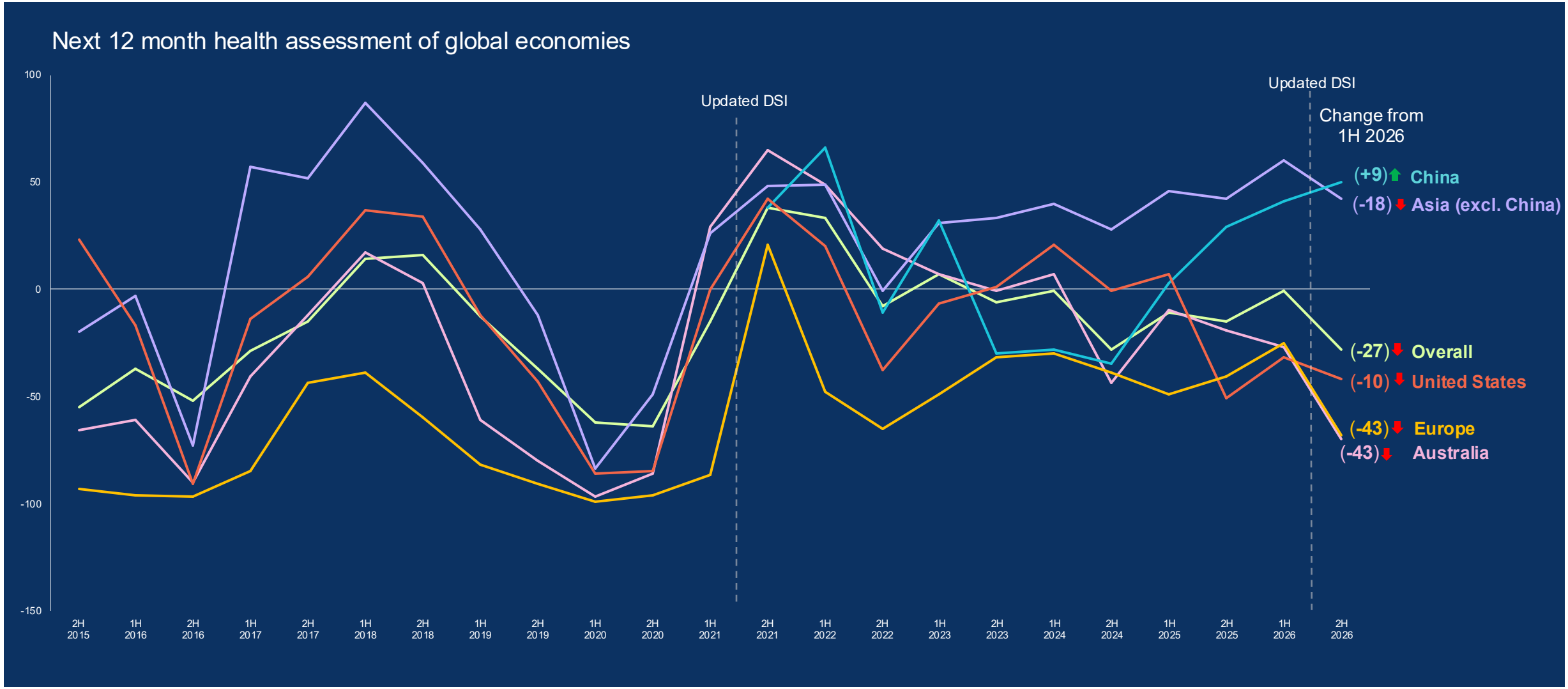
Economic Outlook DSI Category Overview

The Economic Outlook DSI category (from 2H 2026) measures future (next 12 months) health assessments of each of the following major economies:

- Australia
- Director states and territories
- Asia (excl. China)
- China
- Europe
- United States

Source: Roy Morgan AICD Director Sentiment Index Survey 2nd Half 2026. Base: AICD Directors 18+, n=1,371.
Note: Index revised in 2nd Half 2021 and 2nd Half 2026.
E8. What is your assessment of the current health of the following economies…? (Very weak, Somewhat weak, Neither weak nor strong, Somewhat Strong, Very strong)
E9. Over the next 12 months, what would be your assessment of the health of the following economies…? (Very weak, Somewhat weak, Neither weak nor strong, Somewhat Strong, Very strong) From 2nd half 2021 Asia excludes China.
DSI from 2H 2026 measures future economic health (E9), changed from including both current and future outlook.

Directors expect weaker economic conditions across Australia, US, Europe and Asia (excl China)

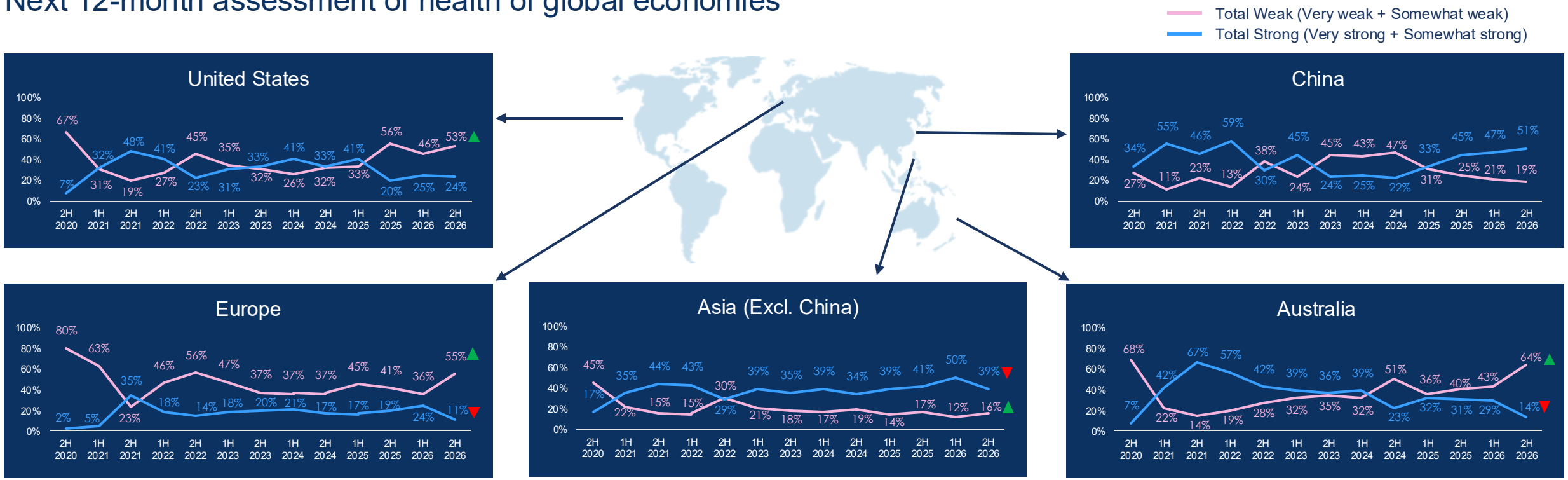


Source: Roy Morgan AICD Director Sentiment Index Survey 2nd Half 2026. Base: AICD Directors 18+, n=1,371.
Note: Index revised in 2nd Half 2021 and 2nd Half 2026.
E9. Over the next 12 months, what would be your assessment of the health of the following economies…?(Very weak, Somewhat weak, Neither weak nor strong, Somewhat strong, Very strong) From 2nd Half 2021 Asia excludes China.
Note: Changes to question or response options in 2nd Half 2021 may impact comparability with previous results. China independently measured from Asia from 2H2021 onwards.

Australia's economic outlook has weakened sharply, with directors more than four times as likely to expect weaker rather than stronger economic conditions over the next 12 months (64% vs 14%)

Directors expect weaker economic conditions across the US, Europe and Asia (excluding China), while expectations for China remain stable.

Next 12-month assessment of health of global economies



Source: Roy Morgan AICD Director Sentiment Index Survey 2nd Half 2026. Base: AICD Directors 18+, n=1,371.
E9. Over the next 12 months, what would be your assessment of the health of the following economies…? (Very weak, Somewhat weak, Neither weak nor strong, Somewhat Strong, Very strong) From 2nd Half 2021 Asia excludes China.

▲▼ Significant difference at 95% confidence compared to 1H 2026

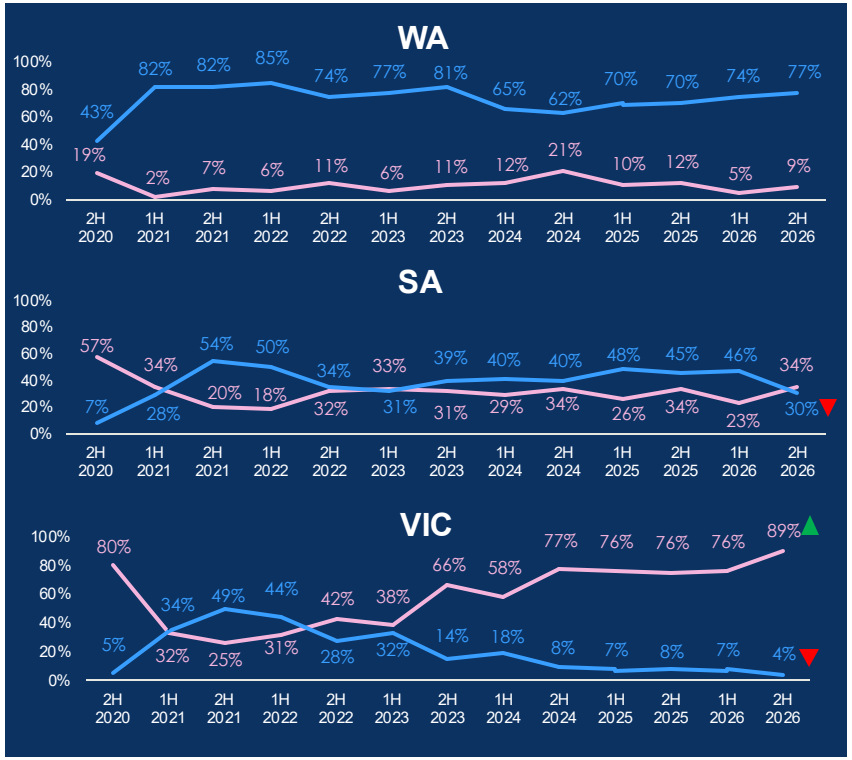
Note: Neutral (Neither strong nor weak, Neither Satisfied nor Dissatisfied, Neither Agree nor Disagree etc.) was a response option in the survey but it is not displayed in these charts, hence the Totals do not add to 100%.

State economic outlooks weaken in VIC, SA, NSW and QLD

Victoria has the weakest economic outlook of any state, with an overwhelming 89% of directors expecting economic conditions to weaken over the next 12 months.

Next 12 month assessment of health of your state economy

State figures use directors based in each state or territory



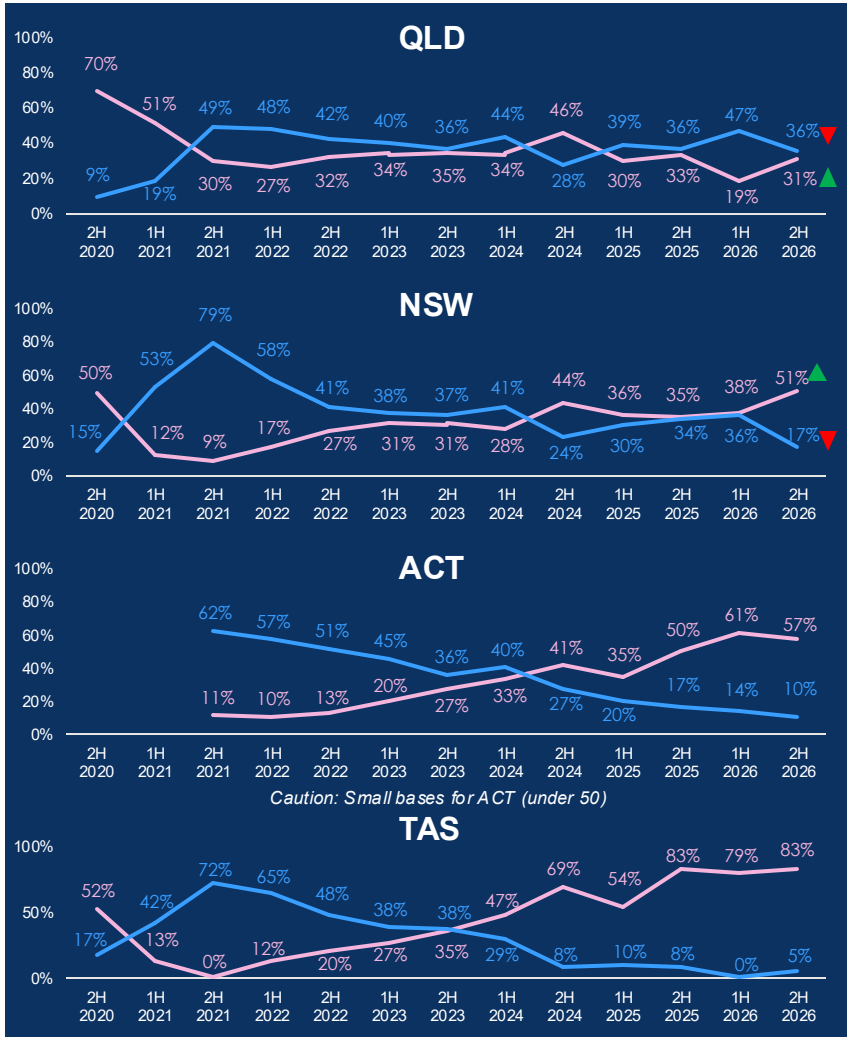


Total Weak (Very weak + Somewhat weak)

Total Strong (Very strong + Somewhat strong)

Note: Neutral (Neither strong nor weak, Neither Satisfied nor Dissatisfied, Neither Agree nor Disagree etc.) was a response option in the survey but it is not displayed in these charts, hence the Totals do not add to 100%.

▲▼ Significant difference at 95% confidence compared to 1H 2026

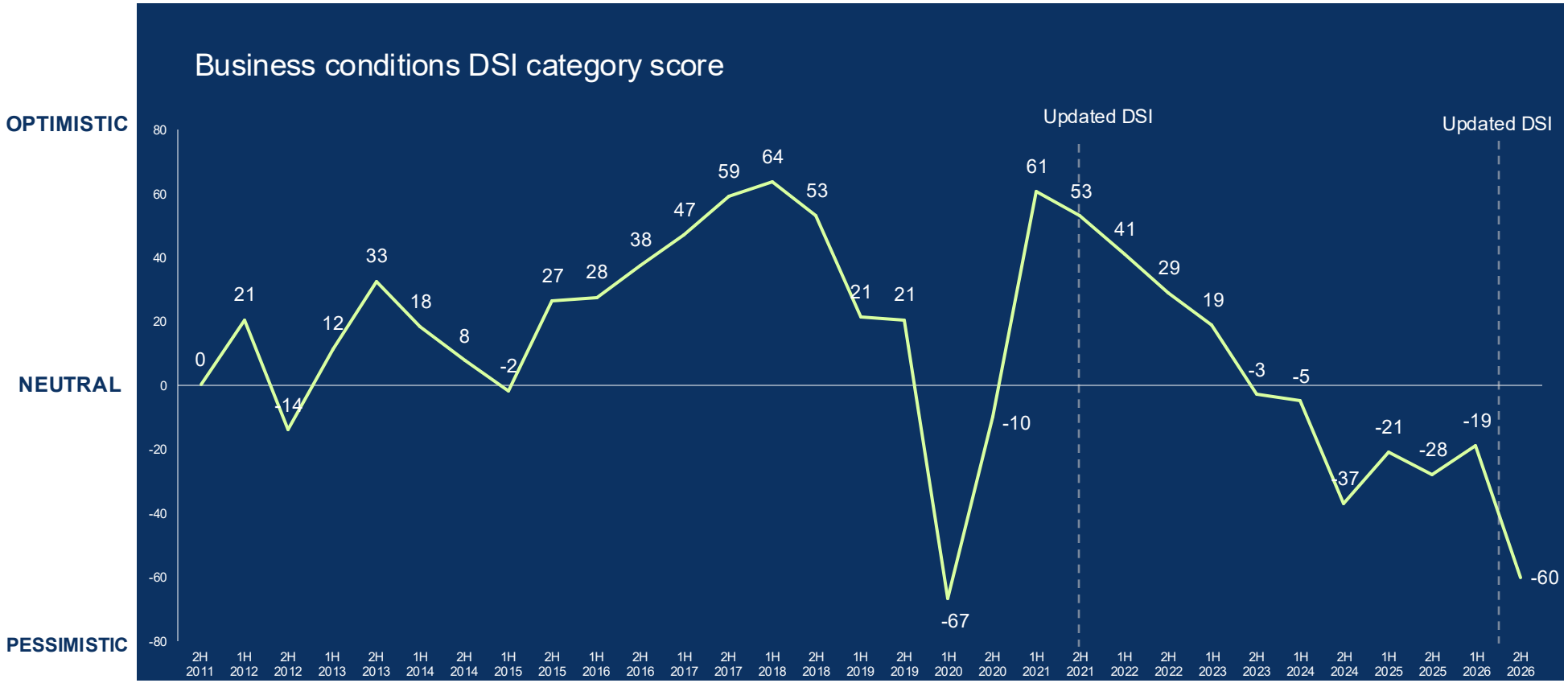


Caution: Small bases for TAS (under 50)

Source: Roy Morgan AICD Director Sentiment Index Survey 2nd Half 2026. Base: AICD Directors 18+, n=1,371.
E9.2. Over the next 12 months, what would be your assessment of the health of the economy in the state where your primary directorship is based? NSW n=420, VIC n=373, QLD n=209, SA n=95, WA n=131, TAS n=41*, ACT n=48*, NT n=12*. * Indicates small base <50. ACT Data before 2H 2021 is unavailable.

Business Conditions

Overall business conditions fell 41 points in the second half of 2026, reaching their lowest level since 2020 and recording the second-steepest decline on record



Business Conditions DSI Category Overview

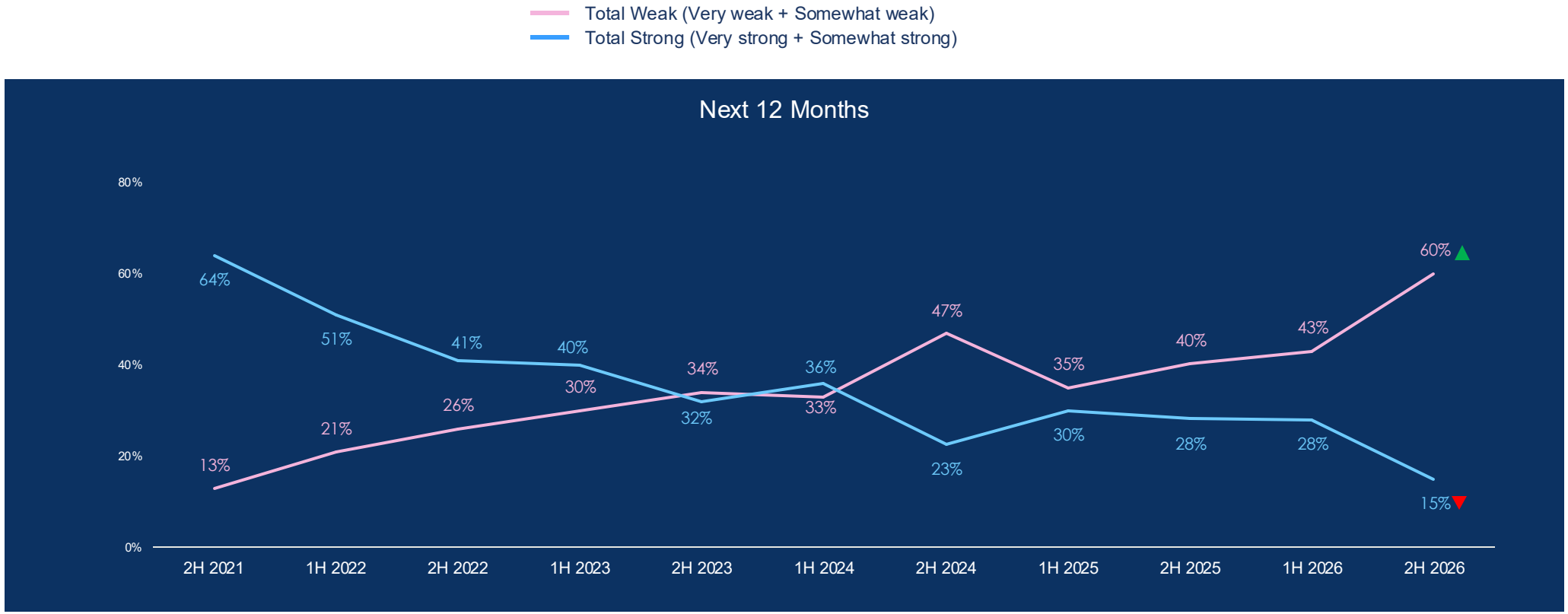
- The Business Conditions DSI category as of the second half of 2026 includes future (next 12 months) assessments of business conditions in Australia and director's state/territory.

Source: Roy Morgan AICD Director Sentiment Index Survey 2nd Half 2026. Base: AICD Directors 18+, n= 1,371.
Note: Index revised in 2nd Half 2021 and 2nd Half 2026.
B11.1 What is your assessment of business conditions over the next 12 months in Australia? B11.2 What is your assessment of business conditions over the next 12 months in the state where your primary directorship is based?
B10.1. What is your assessment of current business conditions in Australia? B10.2. What is your assessment of current business conditions in the state where your primary directorship is based? B10.3. What is your assessment of current business conditions in the sector your primary directorship is in? B11.3 What is your assessment of business conditions over the next 12 months in the sector your primary directorship is in?
Update in second half of 2026 removed current perceptions and perceptions of the directors' sector of primary directorship

Directors have grown significantly more pessimistic about Australia's business conditions, with sentiment at its weakest level since 2021

3 in 5 (60%) of directors expect weak business conditions in the year ahead.

Assessment of Australian business conditions



▲▼ Significant difference at 95% confidence compared to 1H 2026

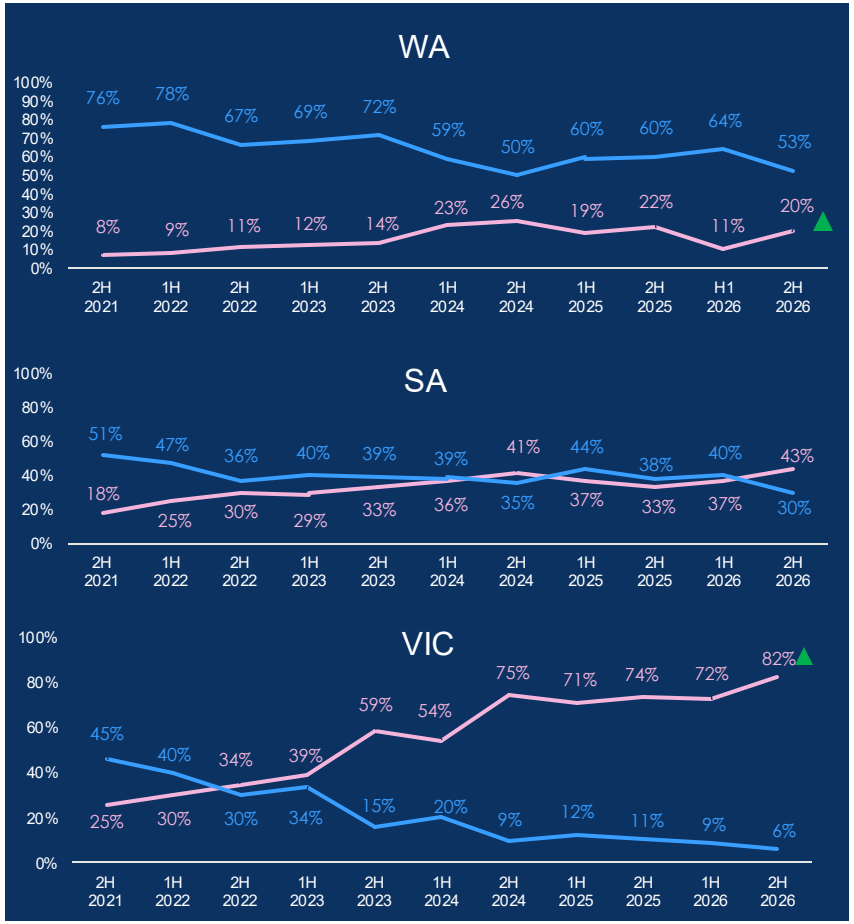
Note: Neutral (Neither strong nor weak, Neither Satisfied nor Dissatisfied, Neither Agree nor Disagree etc.) was a response option in the survey but it is not displayed in these charts, hence the Totals do not add to 100%.

Source: Roy Morgan AICD Director Sentiment Index Survey 2nd Half 2026. Base: AICD Directors 18+, n=1,371.
B11.1 What is your assessment of business conditions over the next 12 months in Australia?

Business outlooks weaken in WA, VIC, QLD and NSW

Similar to economic conditions, Victoria has an overwhelming 82% of directors expecting business conditions to weaken over the next 12 months.

Next 12 month assessment of business conditions in the state of directorship



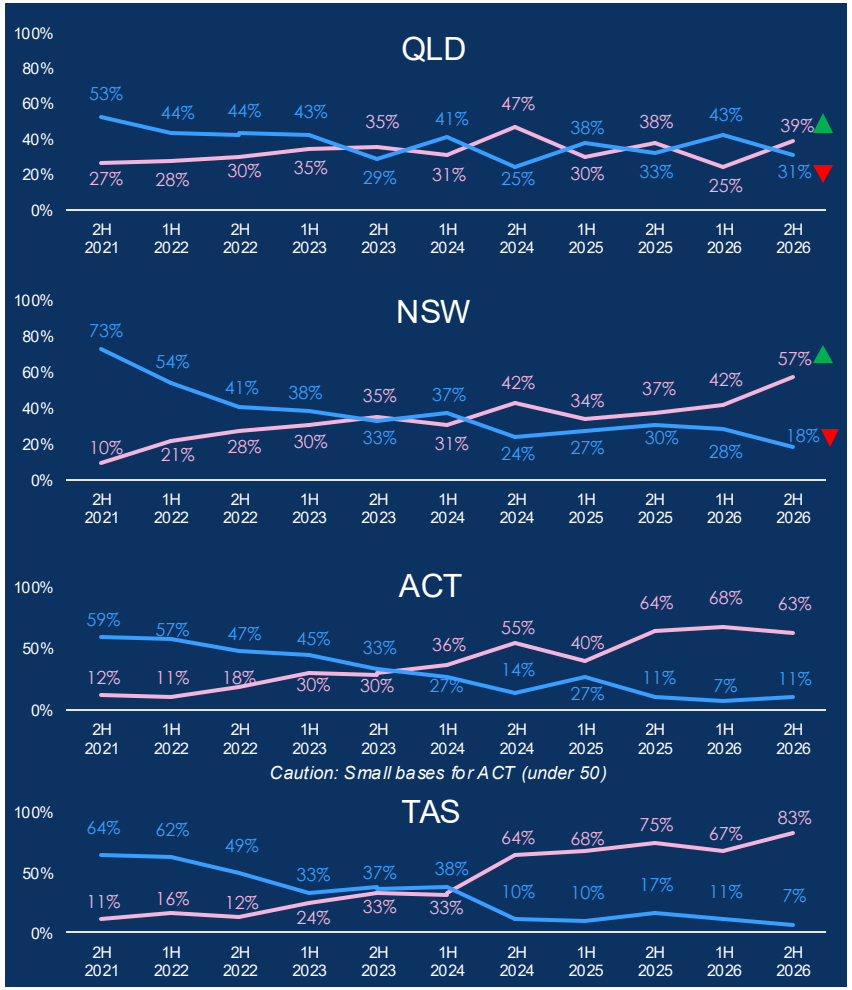


Total Weak (Very weak + Somewhat weak)

Total Strong (Very strong + Somewhat strong)

Note: Neutral (Neither strong nor weak, Neither Satisfied nor Dissatisfied, Neither Agree nor Disagree etc.) was a response option in the survey but it is not displayed in these charts, hence the Totals do not add to 100%.

▲▼ Significant difference at 95% confidence compared to 1H 2026



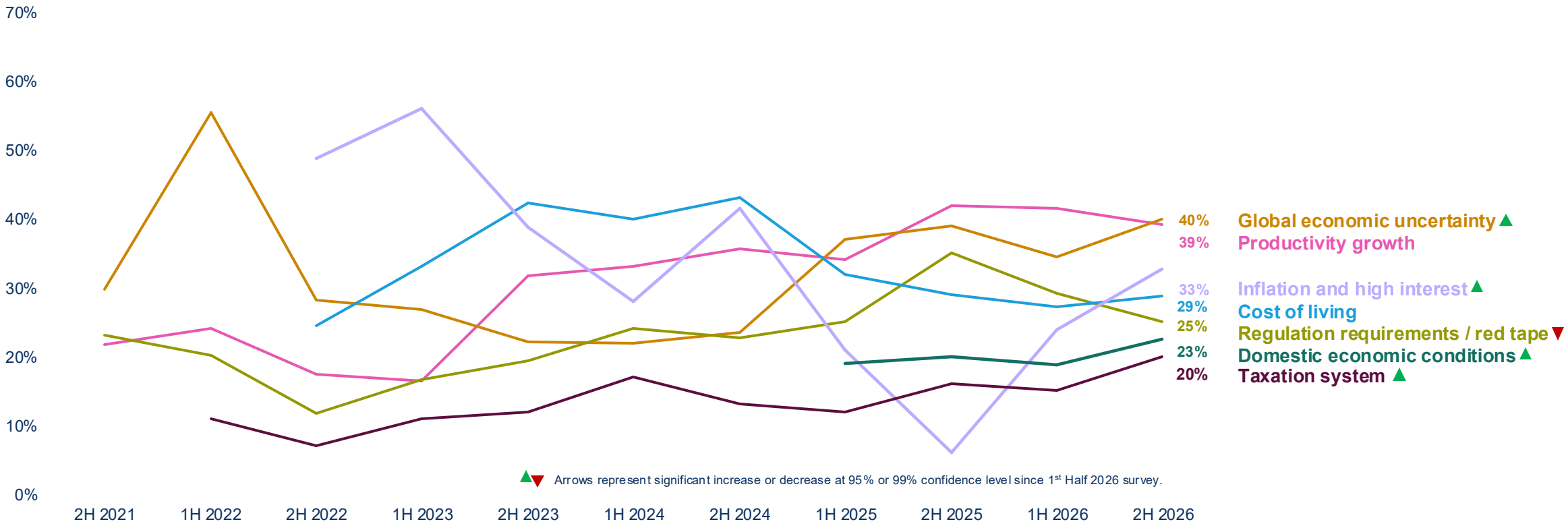
Caution: Small bases for TAS (under 50)

Source: Roy Morgan AICD Director Sentiment Index Survey 2nd Half 2026. Base: AICD Directors 18+, n=1,371.
B11.2 What is your assessment of business conditions over the next 12 months in the state where your primary directorship is based?
NSW n=420, VIC n=373, QLD n=209, SA n=95, WA n=131, TAS n=41*, ACT n=48*, NT n=12*. * Indicates small base <50.
NT not shown due to insufficient sample size

Global uncertainty and productivity growth dominate the economic challenges facing directors

But concerns about a range of challenges have intensified, with inflation and rising interest rates recording the sharpest increase.

Top economic challenges facing Australian businesses (Total Mentions)



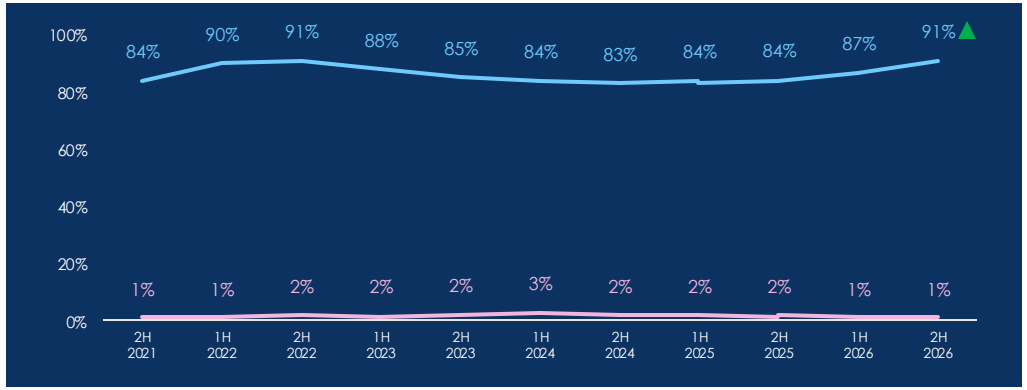
Source: Roy Morgan AICD Director Sentiment Index Survey 2nd Half 2026. Base: AICD Directors 18+, n= 1,371
E6. What are the top 3 economic challenges currently facing Australian businesses? Percentage of respondents that nominated issue in the top three economic challenges.
Note: Only displaying prominent issues with at least 20% mentions in 2H 2026. Amendments to the list may impact comparability with previous results.

There has been a surge in the proportion of businesses that expect investment to fall in the next 12 months as cost pressures increase

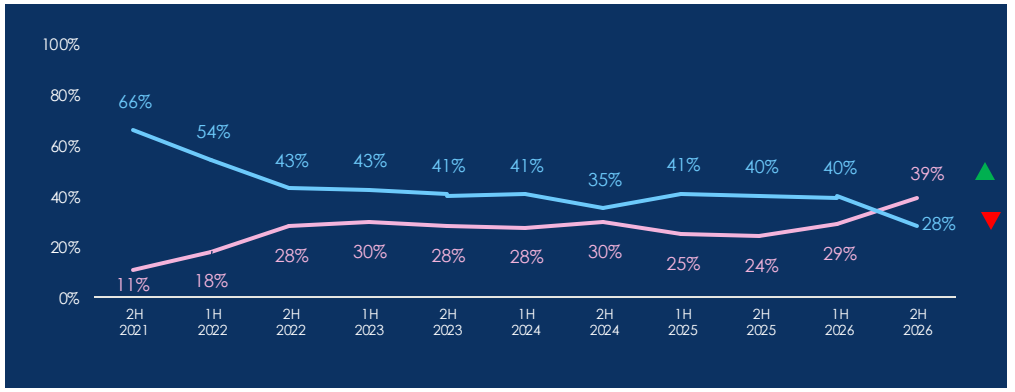
More directors expect labour demand to soften, coinciding with fewer directors expecting wage rises. Investment expectations and labour demand have been declining since 2021, reaching new lows this wave.

Are these conditions expected to increase or decrease over next 12 months within your business?

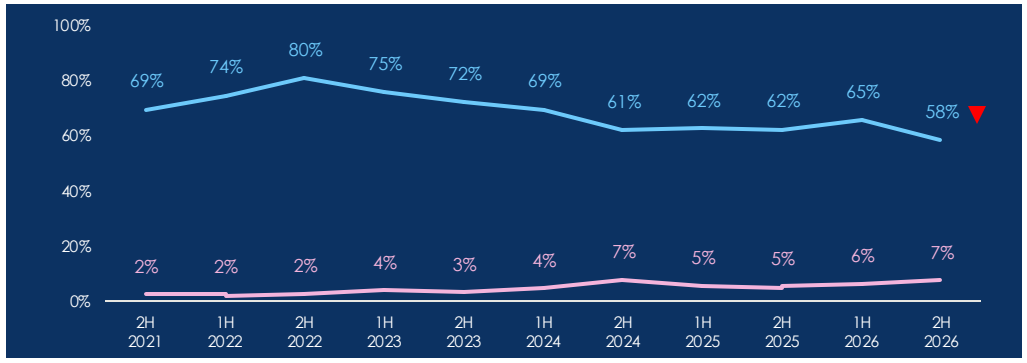
Costs (e.g. raw materials, energy, etc.)



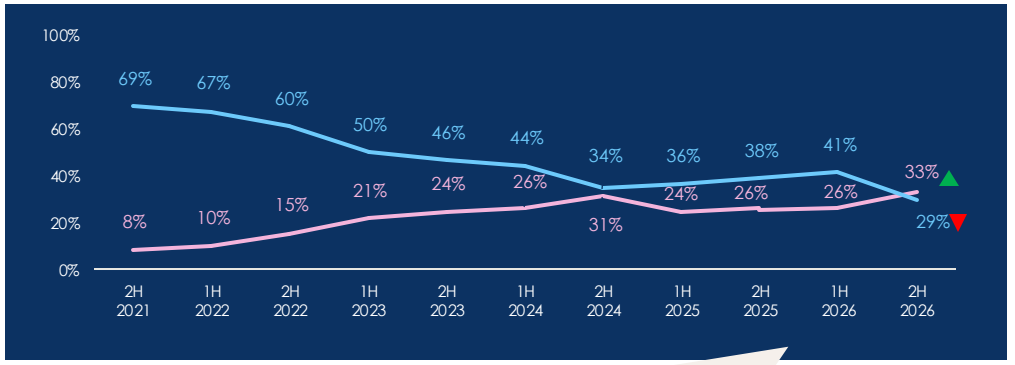
Investment Levels



Wage Levels



Labour demands



Total Decrease (Strongly Decrease + Slightly Decrease)
Total Increase (Strongly Increase + Slightly Increase)

▲▼ Arrows represent significant increase or decrease at 95% or 99% confidence level since 1st Half 2026 survey.

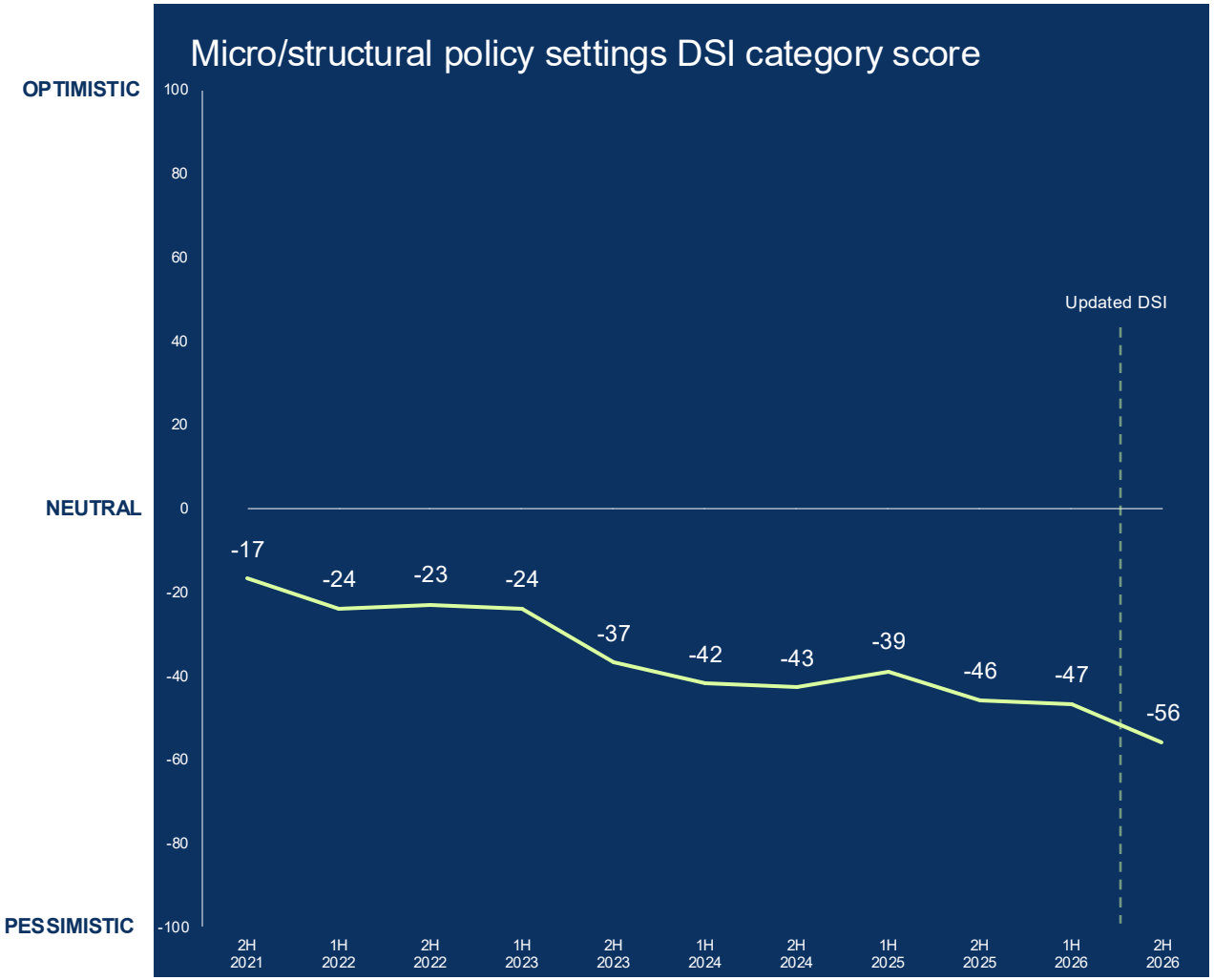
Investment levels and labour demands have declined significantly among private/non-listed and not-for-profit businesses compared to six months ago.

Source: Roy Morgan AICD Director Sentiment Index Survey 2nd Half 2026. Base: AICD Directors 18+, n=1,371.
B4. To what extent, if any, do you expect the following conditions to change over the next 12 months within your business?

Note: Neutral (Neither strong nor weak, Neither Satisfied nor Dissatisfied, Neither Agree nor Disagree etc.) was a response option in the survey but it is not displayed in these charts, hence the Totals do not add to 100%.

Micro/ Structural Policy Settings

Directors' satisfaction with micro/structural policy settings continues to fall



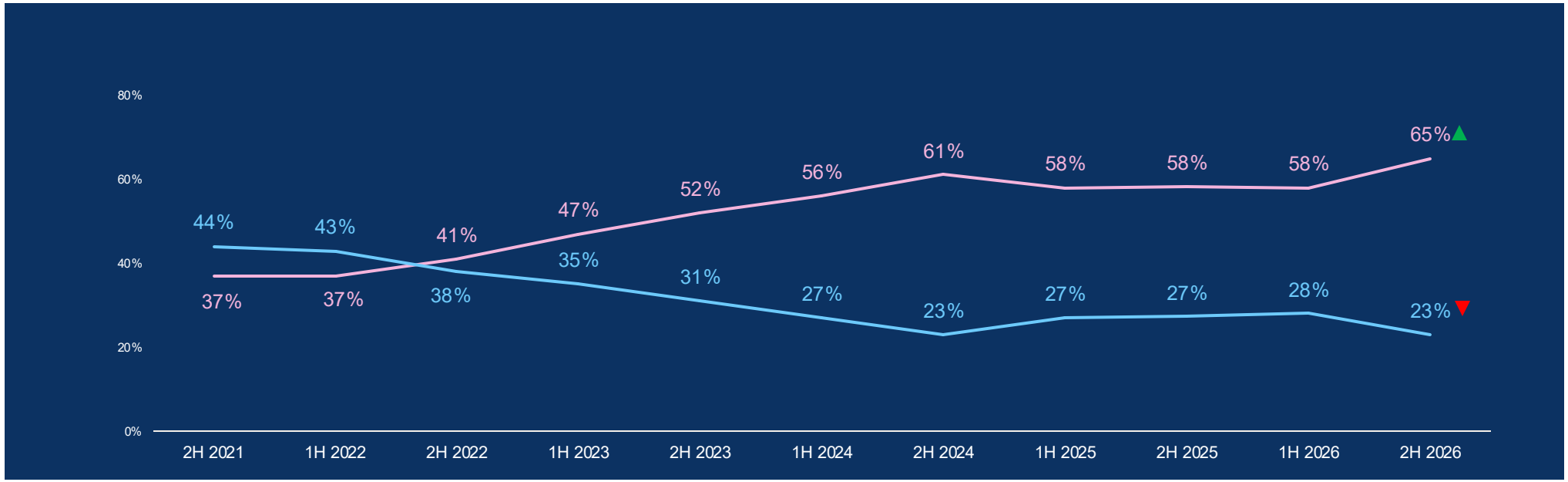
Micro/Structural Policy Settings DSI Category Overview

- The Micro/Structural Policy Settings DSI category in 2H 2026 includes:
  - Perceptions of levels of corporate/personal taxation, openness to foreign investment, support for innovation and R&D, and assessments of government understanding of business.
- The Micro/Structural Policy Settings DSI category score (-56) decreased by 9 points in the second half of 2026.

Source: Roy Morgan AICD Director Sentiment Index Survey 2nd Half 2026. Base: AICD Directors 18+, n= 1,371.
Note: Index revised in 2nd Half 2021 and 2nd Half 2026
T1. What is your level of satisfaction with the current state of the following Australian policy settings…?
Perceptions of the GST, government spending on infrastructure and education and support for international trade were removed from DSI calculation in 2H 2026.

Agreement that the Federal Government understands business has been declining since 2021 and now sits at its equal lowest level

The Federal Government understands business



▲▼ Significant difference at 95% confidence compared to 1H 2026

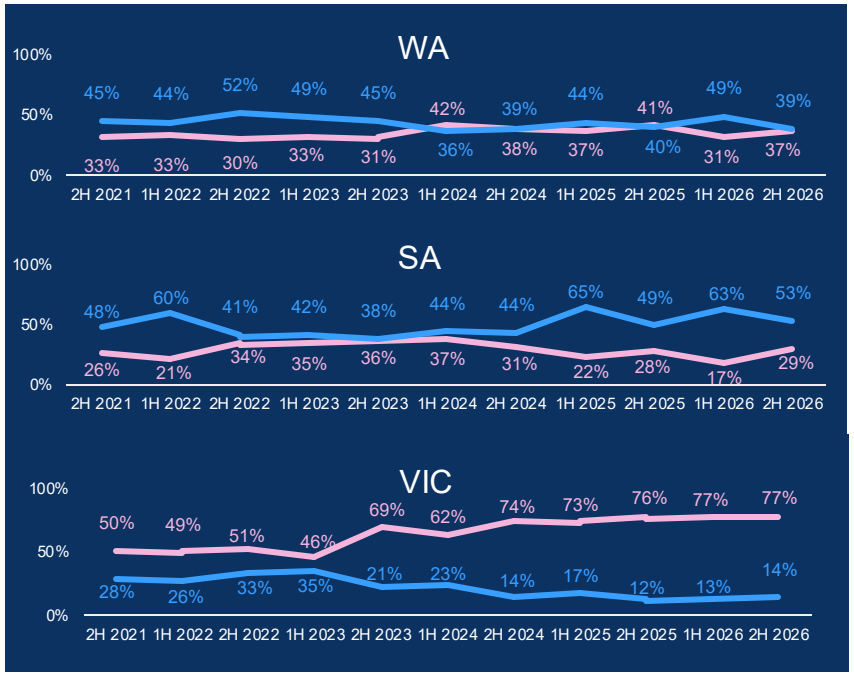
Note: Neutral (Neither strong nor weak, Neither Satisfied nor Dissatisfied, Neither Agree nor Disagree etc.) was a response option in the survey but it is not displayed in these charts, hence the Totals do not add to 100%.

Source: Roy Morgan AICD Director Sentiment Index Survey 2nd Half 2026. Base: AICD Directors 18+, n=1,371.
RE3.1. To what extent do you agree or disagree that the Federal Government understands business?

Assessments that state governments understand business have remained largely stable compared to six months ago, with Victoria recording the lowest level of agreement of any state

Disagreement that the NSW Government understands business has increased significantly, with agreement and disagreement now level at 38% each.

My state government understands business



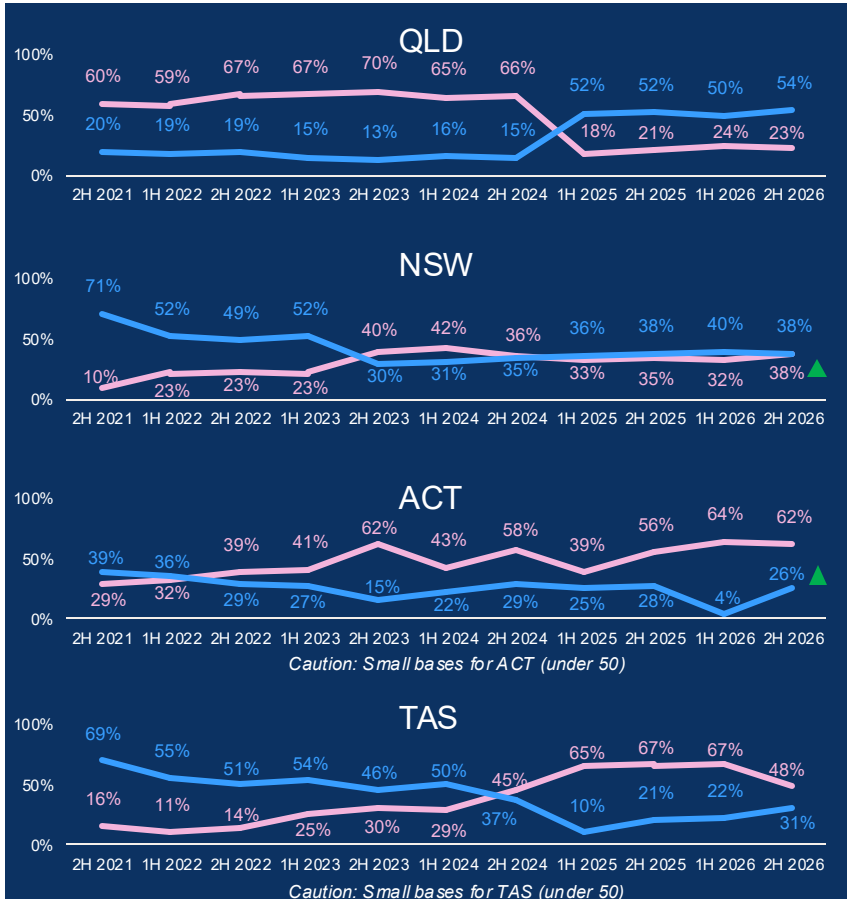


Total Disagree (Strongly disagree + Somewhat disagree)

Total Agree (Strongly agree + Somewhat agree)

Note: Neutral (Neither strong nor weak, Neither Satisfied nor Dissatisfied, Neither Agree nor Disagree etc.) was a response option in the survey but it is not displayed in these charts, hence the Totals do not add to 100%.

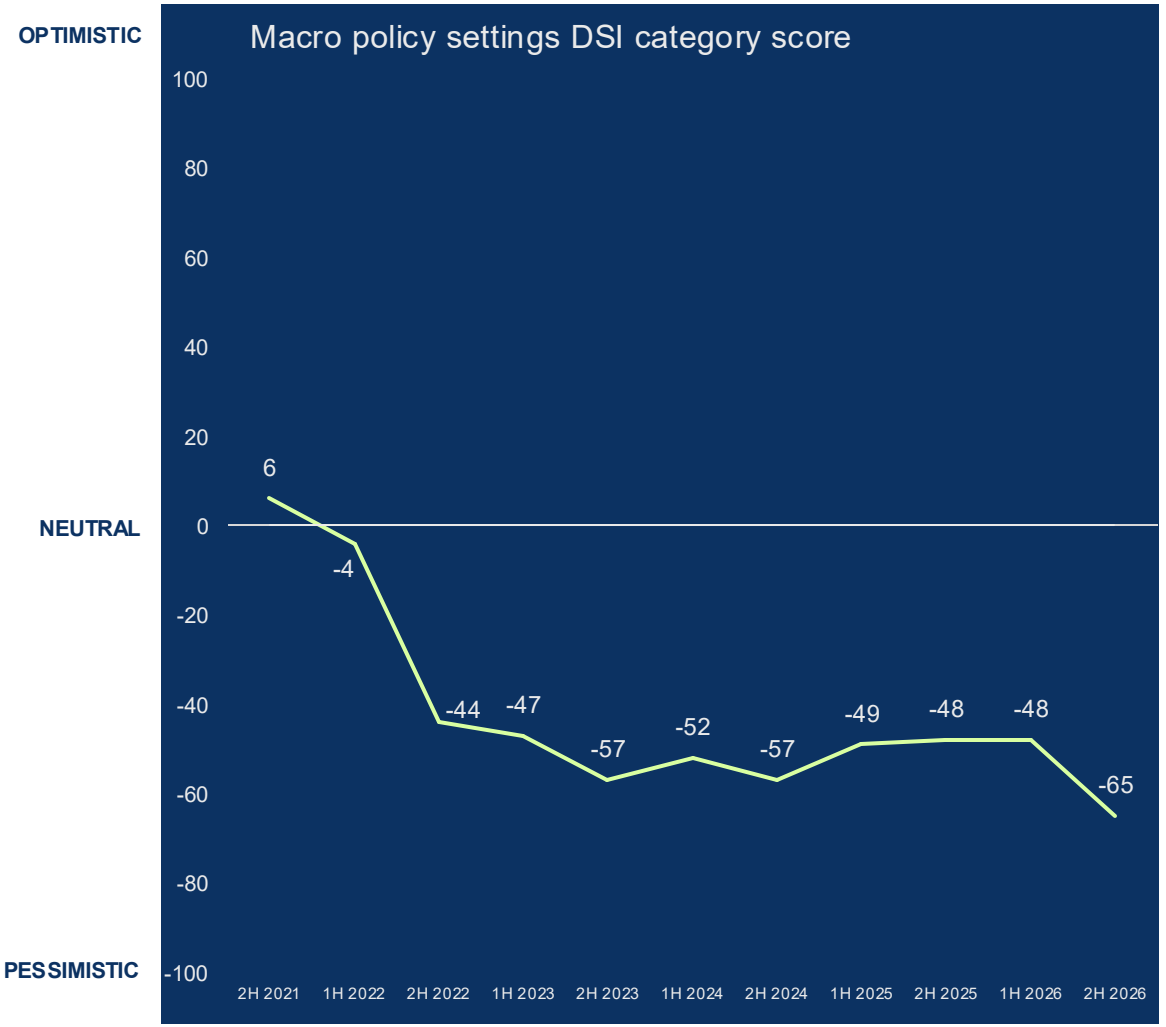
▲▼ Significant difference at 95% confidence compared to 1H 2026



Source: Roy Morgan AICD Director Sentiment Index Survey 2nd Half 2026. Base: AICD Directors 18+, n=1,371.
RE3. To what extent do you agree or disagree with the following statements:? RE3.3 The [State government of primary directorship] understands business.
NSW n=420, VIC n=373, QLD n=209, SA n=95, WA n=131, TAS n=41*, ACT n=48*, NT n=12*. * Indicates small base <50..
NT not shown due to insufficient sample size

Macro Policy Settings

Assessment of macro policy settings reached its lowest levels since tracking began



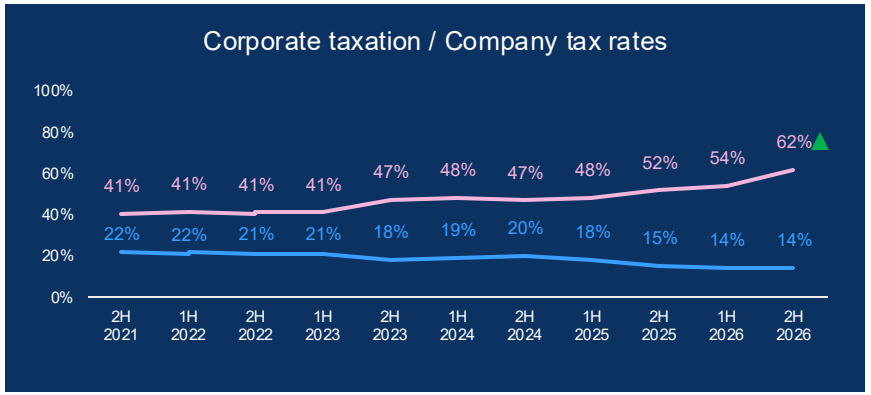
Macro Policy Settings DSI Category Overview

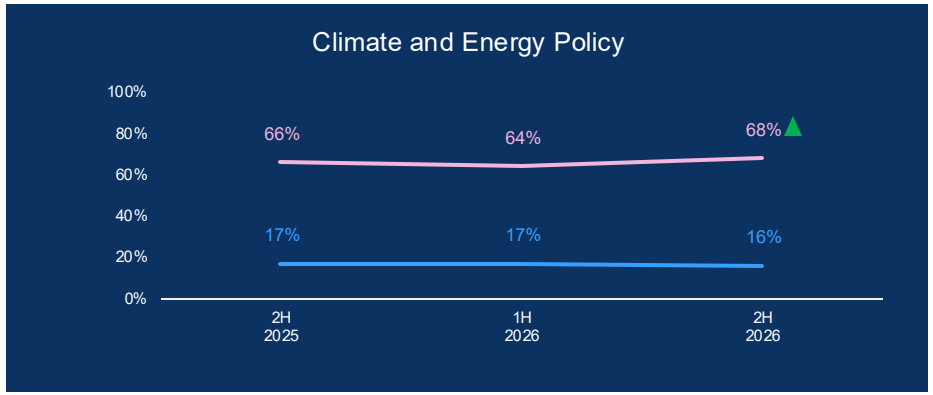
- The Macro Policy Settings DSI category includes:
  - Assessment of the adequacy of federal and state government fiscal support and RBA monetary policy, the impact of the Australian dollar and the availability of business credit.
- The Macro Policy Settings DSI category score showed a decline of 17 points since 1H 2026.

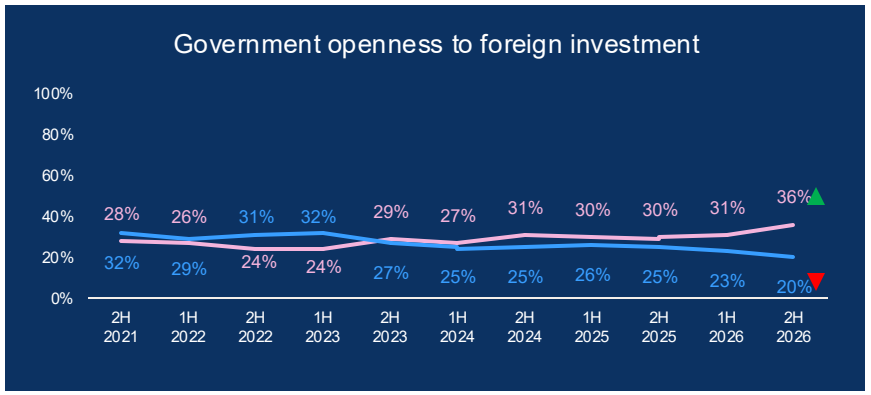
Source: Roy Morgan AICD Director Sentiment Index Survey 2nd Half 2026. Base: AICD Directors 18+, n=1,371.
MA1. How positively or negatively do the following affect your business?

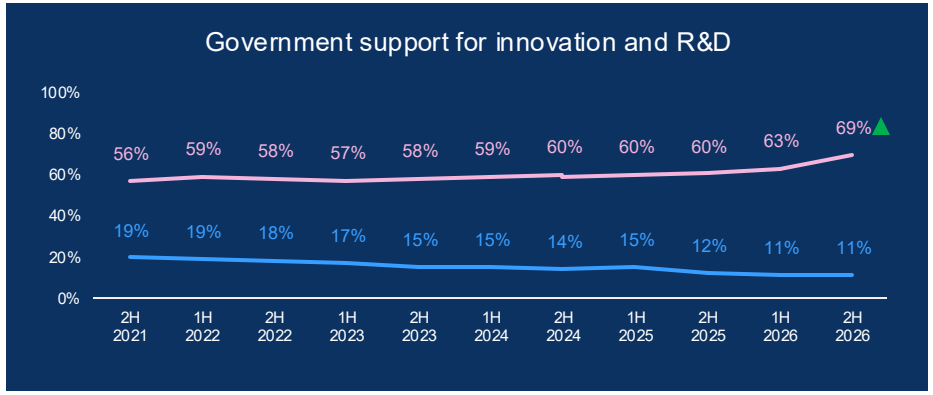
Directors are increasingly dissatisfied with Australian policy settings relating to corporate tax, climate and energy policy, openness to foreign investment, and government support for innovation and R&D

Satisfaction with Australian policy settings









Total Dissatisfied (Very dissatisfied + Somewhat dissatisfied)
Total Satisfied (Very satisfied + Somewhat satisfied)

Note: Neutral (Neither strong nor weak, Neither Satisfied nor Dissatisfied, Neither Agree nor Disagree etc.) was a response option in the survey but it is not displayed in these charts, hence the Totals do not add to 100%.

▲▼ Significant difference at 95% confidence compared to 1H 2026

Source: Roy Morgan AICD Director Sentiment Index Survey 2nd Half 2026. Base: AICD Directors 18+, n=1,371.
T1. What is your level of satisfaction with the current state of the following Australian policy settings…?

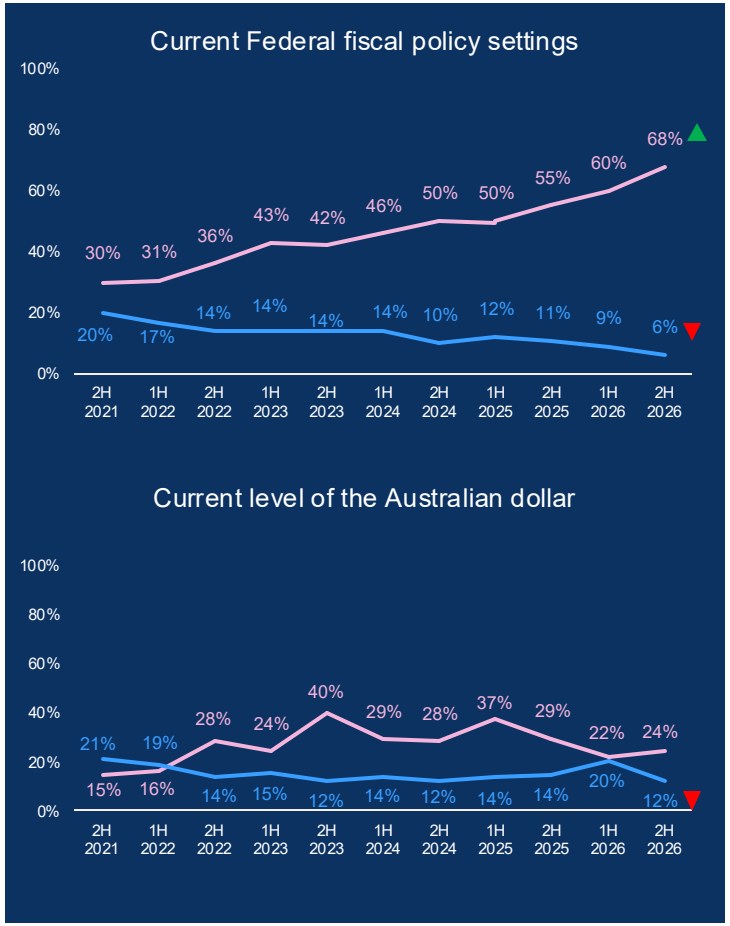
Inflation, costs and monetary policy are weighing more heavily on businesses

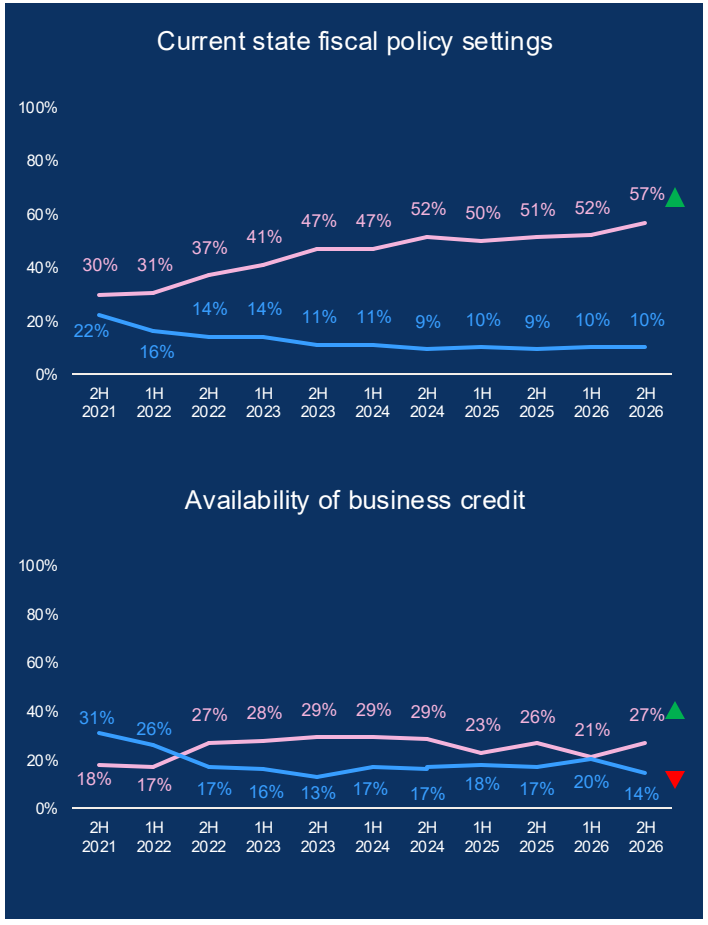
Negative impact of Federal and State fiscal policy settings both significantly increased since 1H 2026.

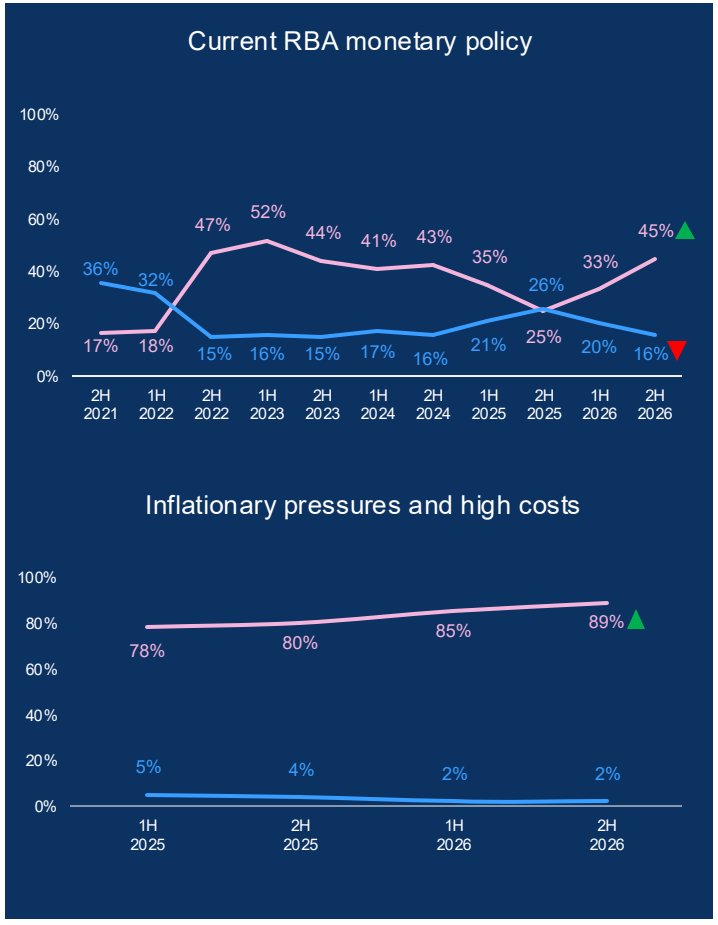
Impact on business

Total Negatively (Very negatively + Somewhat negatively)
Total Positively (Very positively + Somewhat positively)

Note: Neutral (Neither strong nor weak, Neither Satisfied nor Dissatisfied, Neither Agree nor Disagree etc.) was a response option in the survey but it is not displayed in these charts, hence the Totals do not add to 100%.







Significant difference at 95% confidence compared to 1H 2026

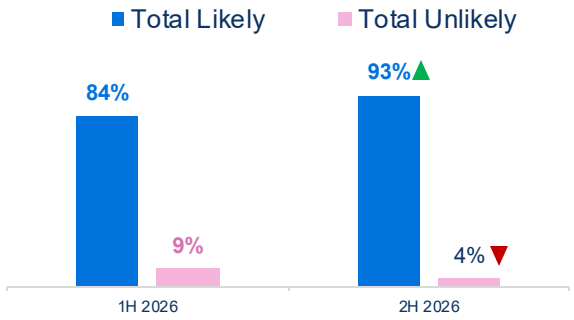
Source: Roy Morgan AICD Director Sentiment Index Survey 2nd Half 2026. Base: AICD Directors 18+, n=1,371.
MA1. How positively or negatively do the following affect your business?

Just ahead of the September RBA decision, an overwhelming majority of directors expected a further rate rise within six months

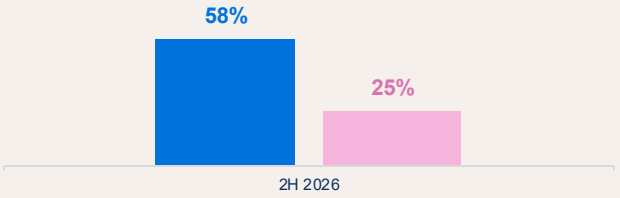
Six in 10 directors back the RBA's approach, however a similar proportion expect current monetary policy to drive a major rise in business insolvencies.

Thinking about inflation, interest rates and the RBA, please indicate the extent to which you agree or disagree with the following statements:

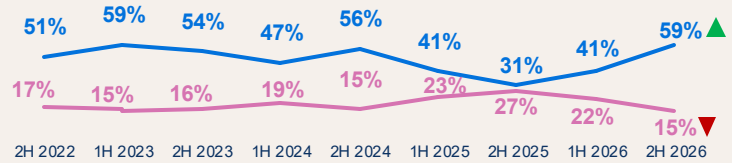
What do you think is the likelihood of a further interest rate rise by the RBA in the next 6 months?



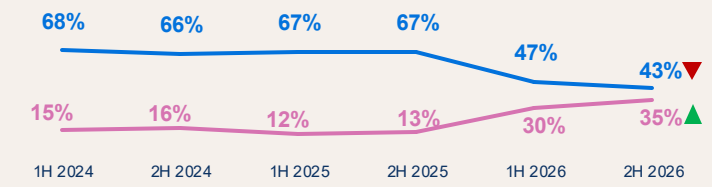
The RBA's approach to interest rates is appropriate for current economic conditions



Current monetary policies will cause a major uptick in business insolvency



The RBA lowering interest rates would have a positive impact on the economy



Total Disagree (Strongly disagree + Somewhat disagree)
Total Agree (Strongly agree + Somewhat agree)

Note: Neutral (Neither strong nor weak, Neither Satisfied nor Dissatisfied, Neither Agree nor Disagree. Neither likely nor unlikely etc.) was a response option in the survey but it is not displayed in these charts, hence the Totals do not add to 100%.

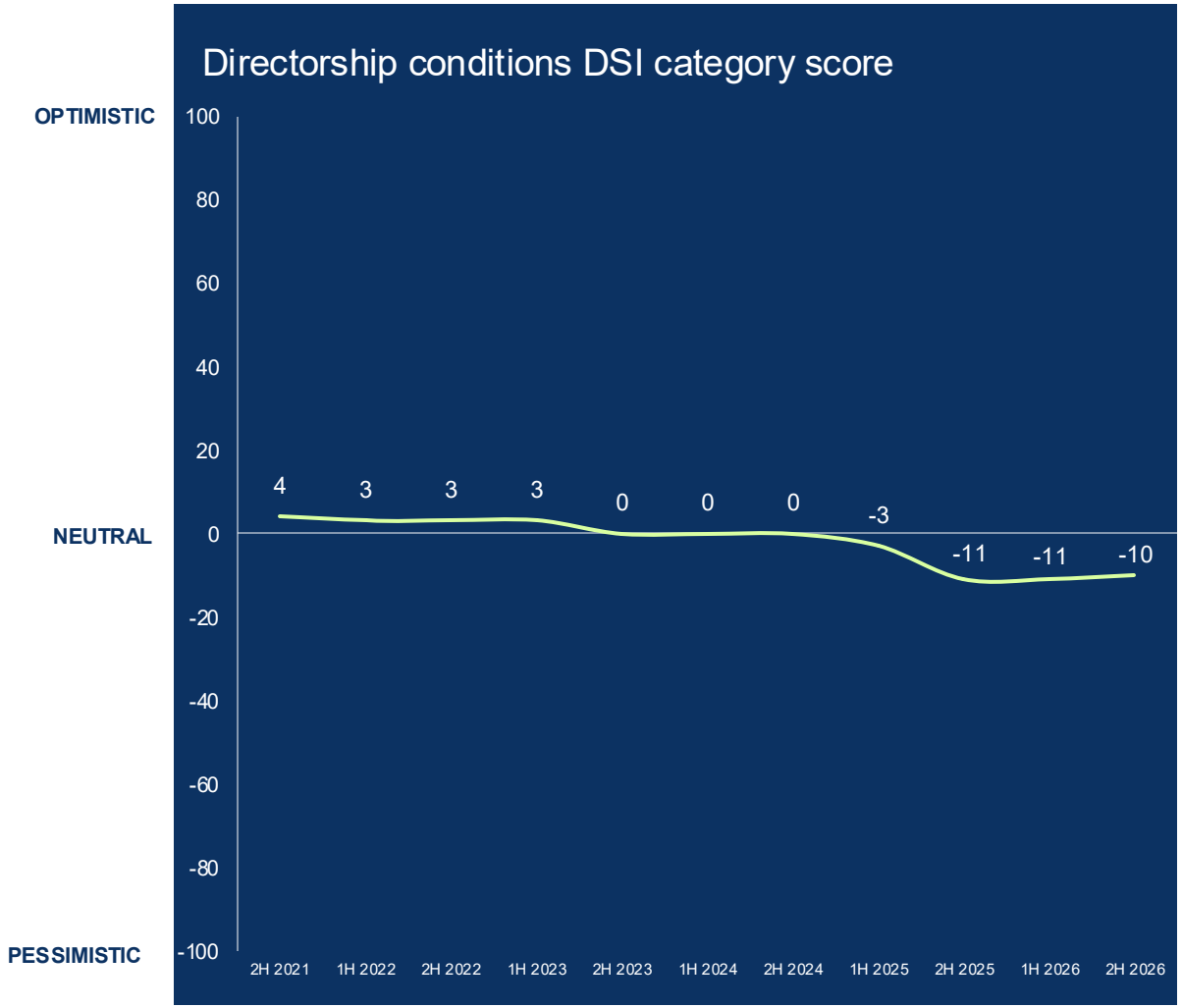
▲▼ Arrows represent significant increase or decrease at 95% or 99% confidence level since 1st Half 2026 survey.

The survey was conducted from 22nd to 29th September 2026.

Source: Roy Morgan AICD Director Sentiment Index Survey 2nd Half 2026. Base: AICD Directors 18+, n=1,371.
RBA1: Agreement with inflation, interest-rate and RBA statements. RBA2: Likelihood of a further interest rate rise in the next six months.

Directorship Conditions

Sentiment towards directorship conditions improved marginally but has remained in negative territory since 1H 2025



Directorship Conditions DSI Category Overview

- The Directorship Conditions DSI category includes:
  - Balance of current governance regulations (principles-based vs prescriptive), satisfaction of corporate reporting requirements and diversity on Australian boards, and whether director liability provisions negatively impact decision-making.

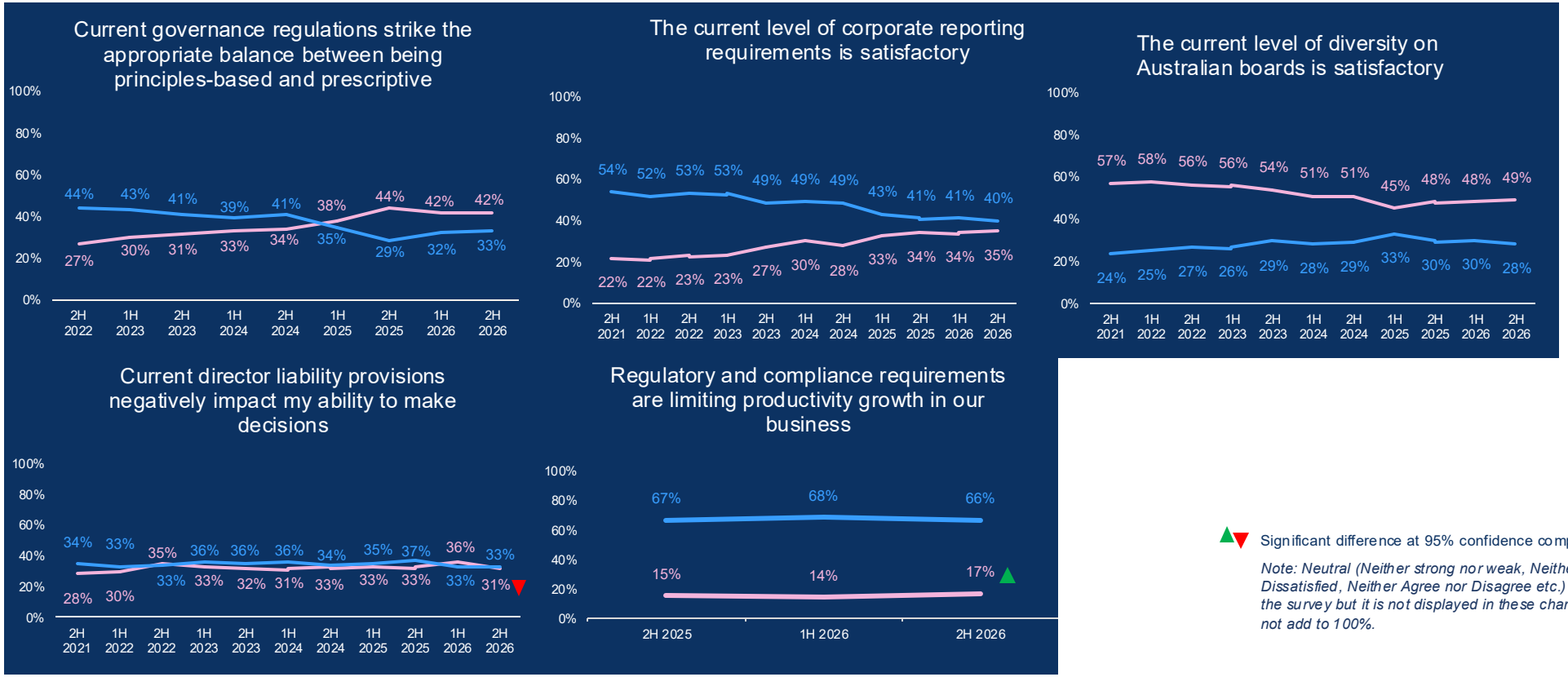
Source: Roy Morgan AICD Director Sentiment Index Survey 2nd Half 2026. Base: AICD Directors 18+, n=1,371.
G1. Based on your personal board experience, please indicate the extent to which you agree or disagree with the following statements.

A third of directors report that current liability provisions negatively affect their ability to make decisions

More directors disagree than agree that current governance regulations strike the right balance between prescriptive and principles-based; that the level of diversity on Australian boards is satisfactory.

Directorship Conditions

Total Disagree (Strongly disagree+ Somewhat disagree)
Total Agree (Strongly agree + Somewhat agree)



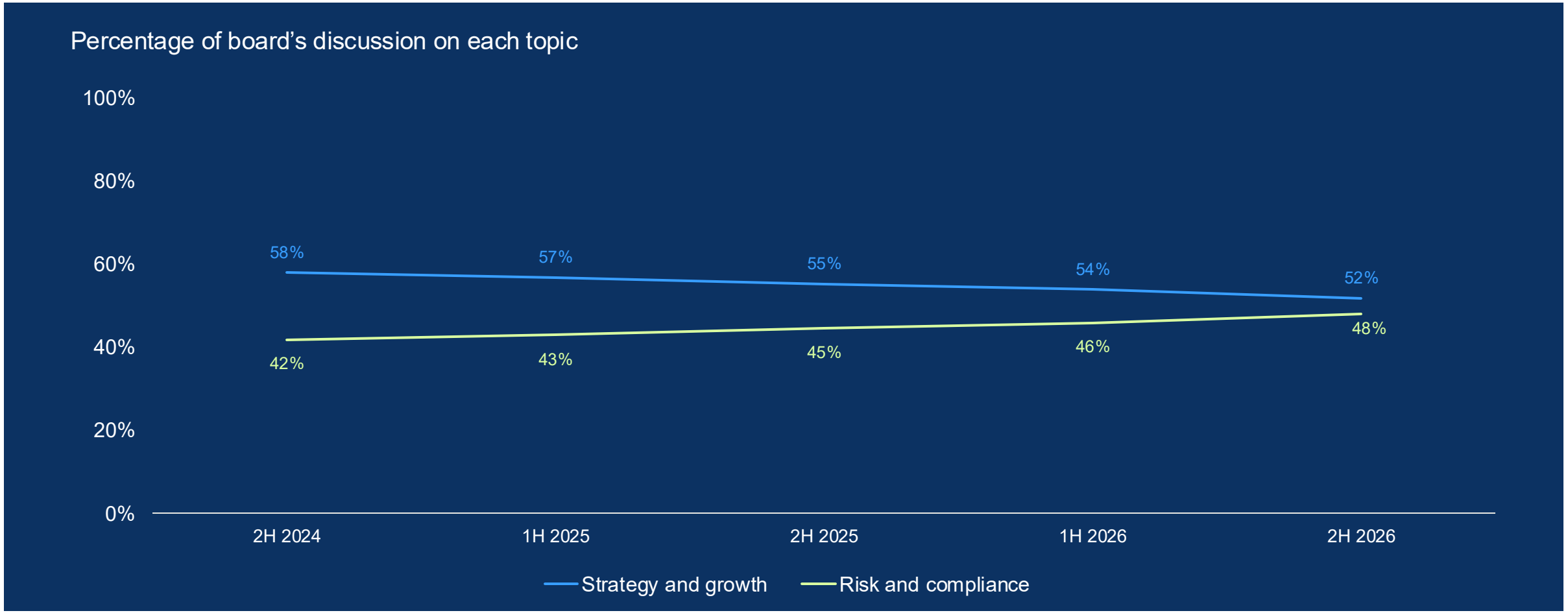
Significant difference at 95% confidence compared to 1H 2026

Note: Neutral (Neither strong nor weak, Neither Satisfied nor Dissatisfied, Neither Agree nor Disagree etc.) was a response option in the survey but it is not displayed in these charts, hence the Totals do not add to 100%.

Source: Roy Morgan AICD Director Sentiment Index Survey 2nd Half 2026. Base: AICD Directors 18+, n=1,371.
G1. Based on your personal board experience, please indicate the extent to which you agree or disagree with the following statements.
Board experience statements 1-2% = Not applicable; .

Strategy and growth accounts for 52% of reported board discussion in 2H 2026

Board time spent dealing with risk and compliance has continued to increase, accounting for nearly half of all discussion in 2H 2026.



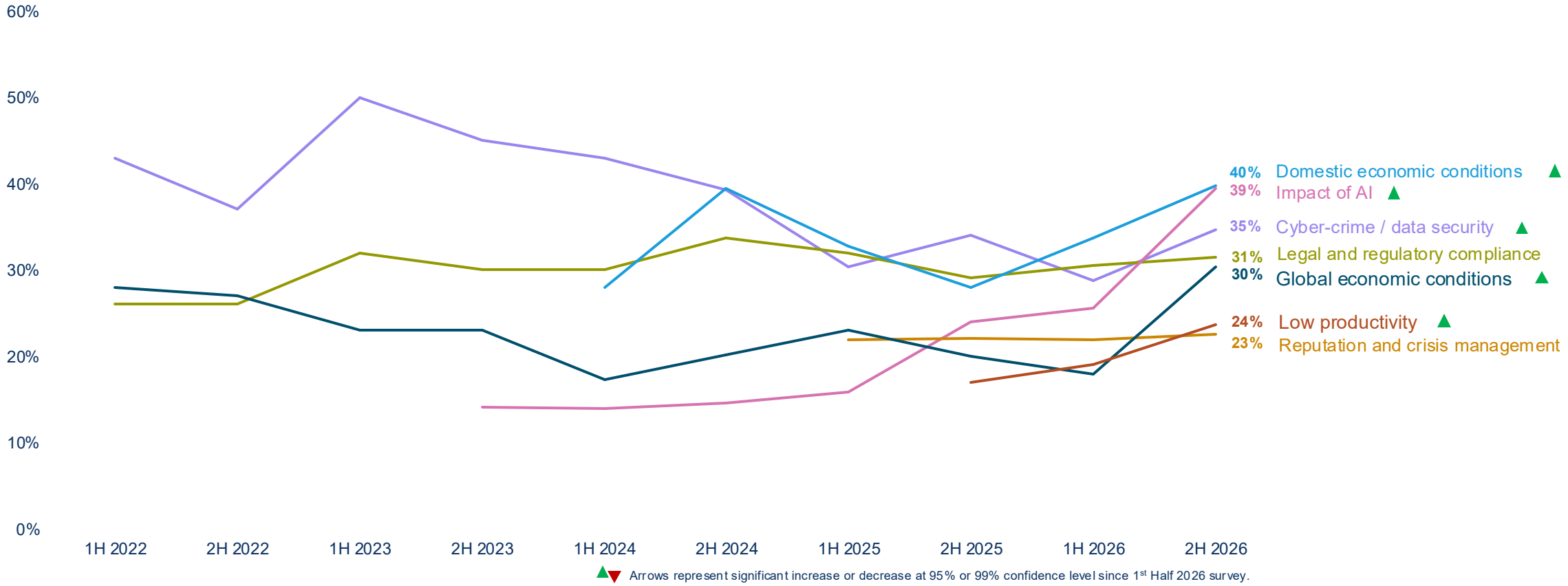
Source: Roy Morgan AICD Director Sentiment Index Survey 2nd Half 2026. Base: AICD Directors 18+, n=1,371.
G3A. Thinking about your board's focus on the 2 topics of "Strategy and growth" and "Risk and compliance". Please estimate the percentage of your board's discussion and consideration on each of these topics.

Topical / Deep Dives

The impact of AI has jumped to become one of the leading things keeping directors awake at night, along with domestic economic conditions

The level of concern about most issues increased, notably cyber crime/data security and global economic conditions.

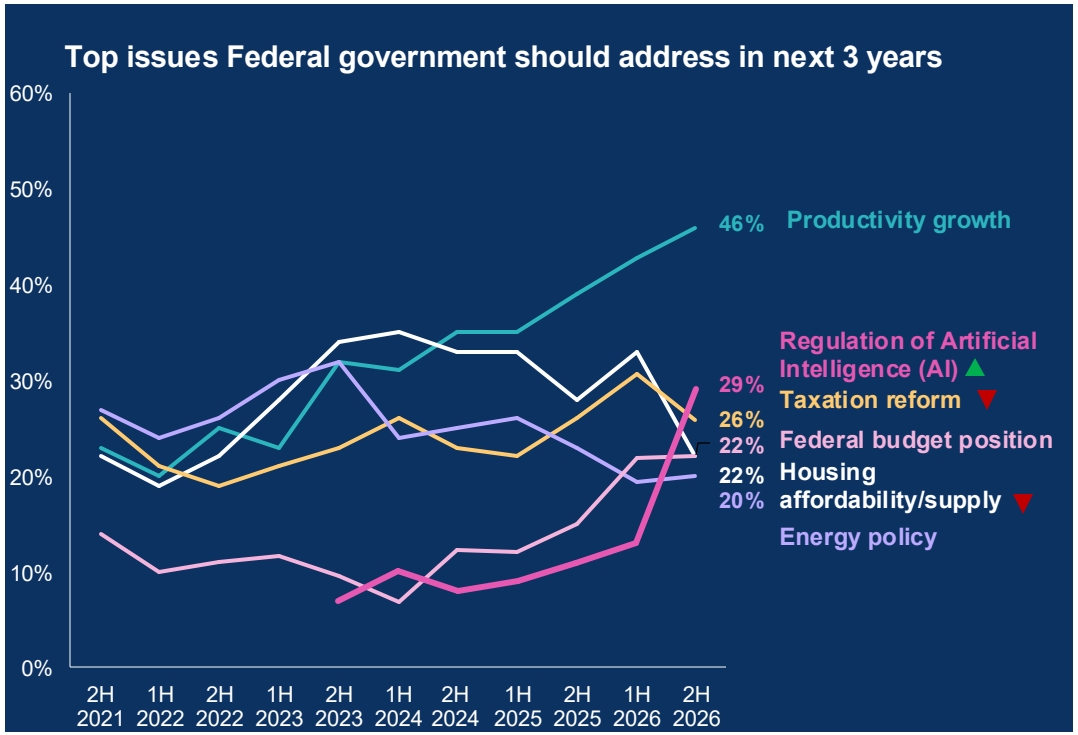
Top issues most likely to keep directors awake at night (Total Mentions)

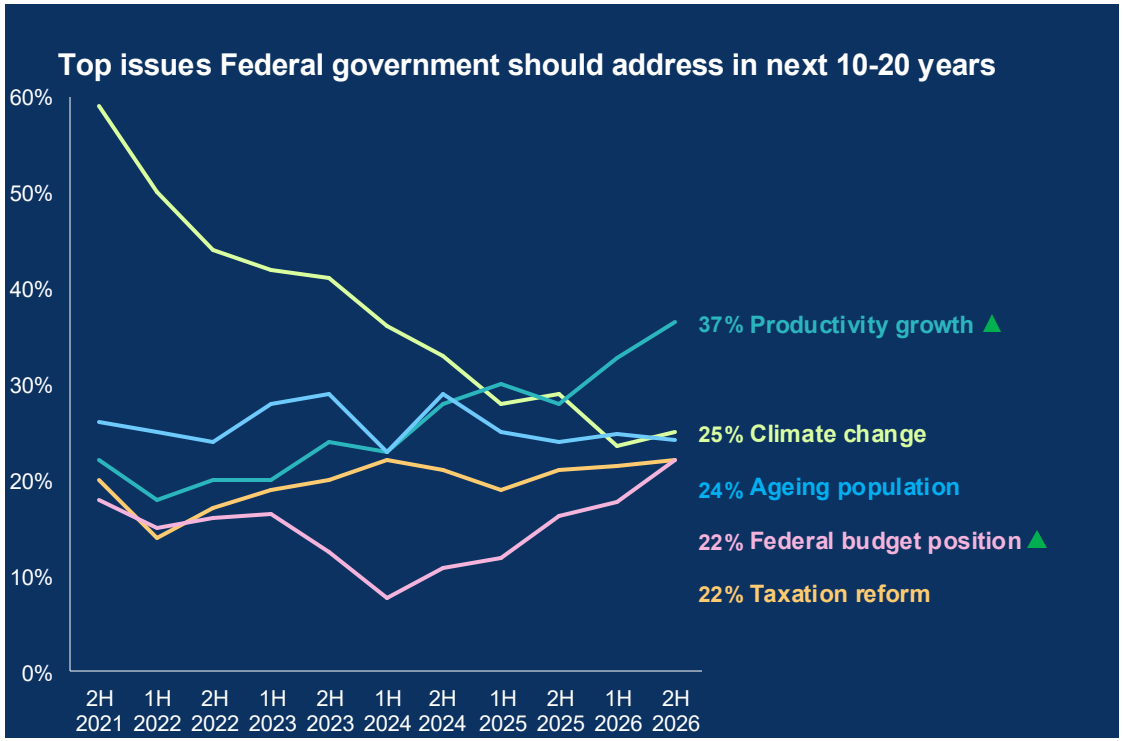


Source: Roy Morgan AICD Director Sentiment Index Survey 2nd Half 2026. Base: AICD Directors 18+, n= 1,371.
TQ1. What are the top 3 issues most likely to "keep you awake at night" as a director on your board? The percentage refers to respondents who nominated this as a top 3 issue. Note: Amendments to list may impact comparability with previous results.
Note: Only displaying prominent issues. Amendments to the list may impact comparability with previous results.

Productivity has cemented its position as the leading issue for government to address both in the short and long term

Regulation of AI jumped sharply, more than doubling as a short-term priority.
Climate change remains the second most cited long-term priority, despite declining since 2021.

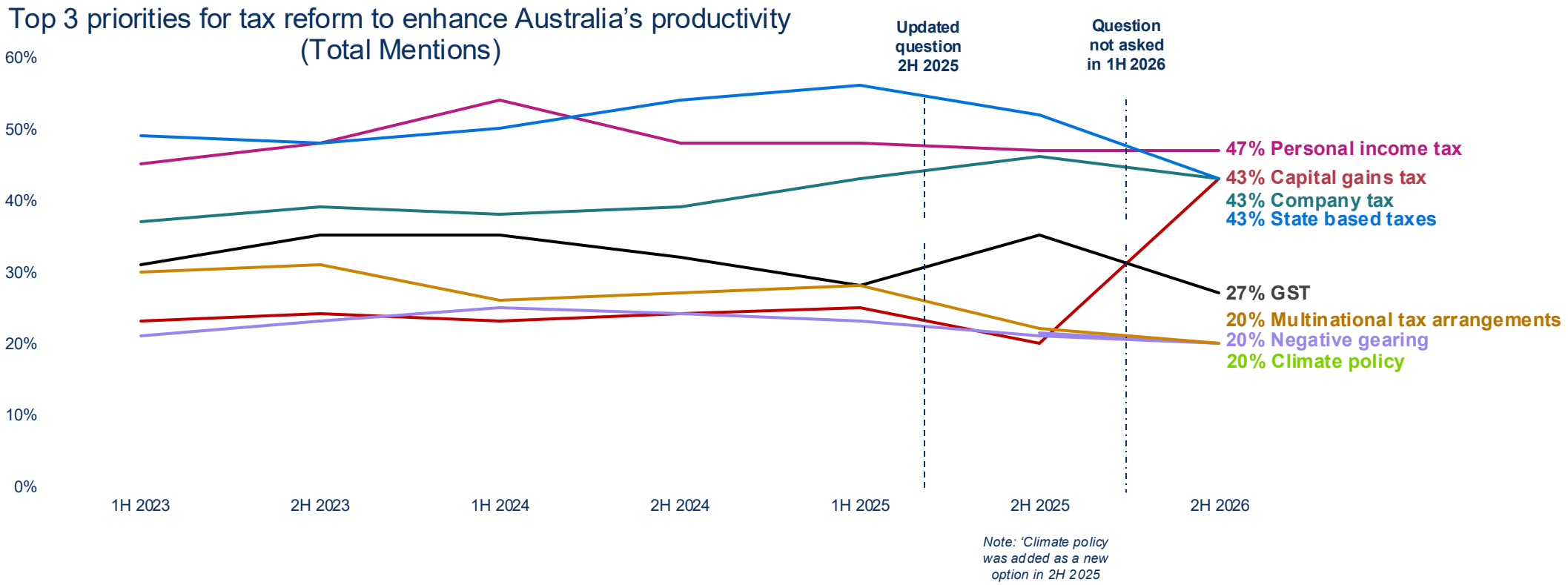




▲▼ Arrows represent significant increase or decrease at 95% or 99% confidence level since 1st Half 2026 survey.

Source: Roy Morgan AICD Director Sentiment Index Survey 2nd Half 2026. Base: AICD Directors 18+, n=1,371
RE4. In your opinion, what are the top 3 issues the federal government should address in the short term (next 3 years)?
RE4a. Now thinking about the longer term (next 10-20 years), what are the top 3 issues the federal government should address?
Note: Only displaying prominent issues in 2H 2026. Amendments to the list may impact comparability with previous results.

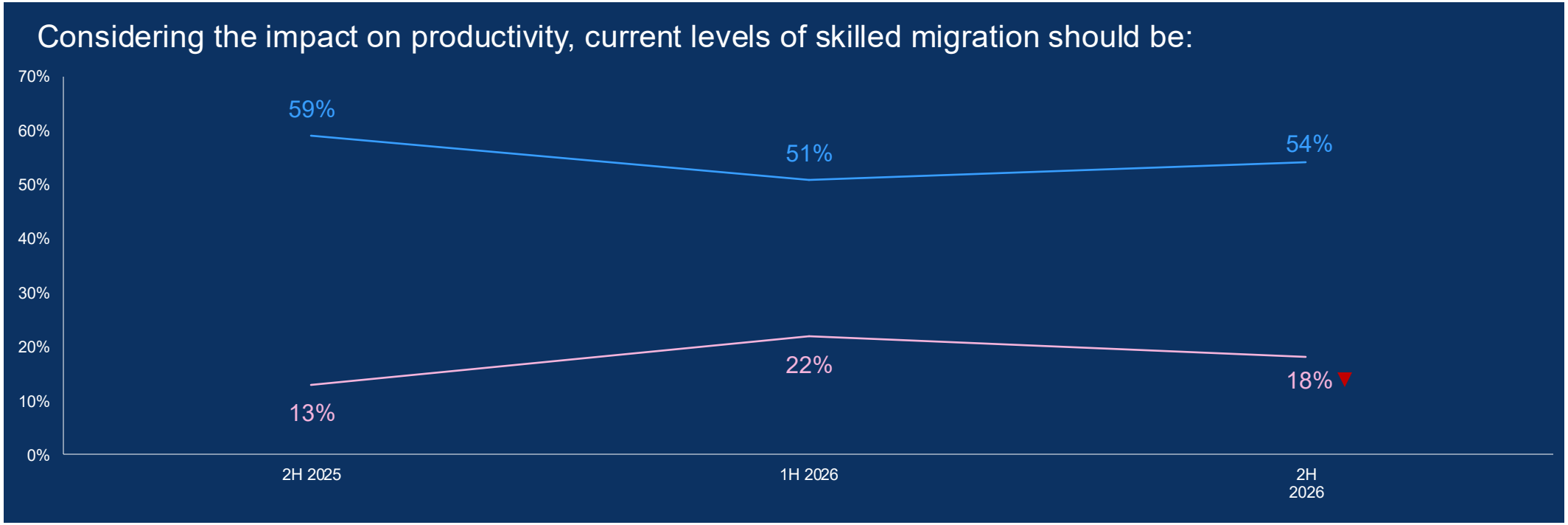
Personal income tax now seen as the top taxation reform to help lift productivity. Capital gains tax has risen sharply as a priority following the Government's CGT changes.



The Climate Policy trend line (21% in 2H 2025 and 20% in 2H 2026) overlaps with Negative Gearing and is not visible on the chart.

Source: Roy Morgan AICD Director Sentiment Index Survey 2nd Half 2026. Base: AICD Directors 18+, n= 1,371.
RE6da. Now thinking about a possible review of the current taxation system, please nominate your top 3 priorities for tax reform that would enhance Australia's productivity.
Note: Question wording changed in 2H 2025, previously asked as "Now thinking about a possible review of the current taxation system, please nominate your top 3 priorities for tax reform". Question not asked in 1H 2026.

Over half of directors favour higher skilled migration to lift Australia's productivity

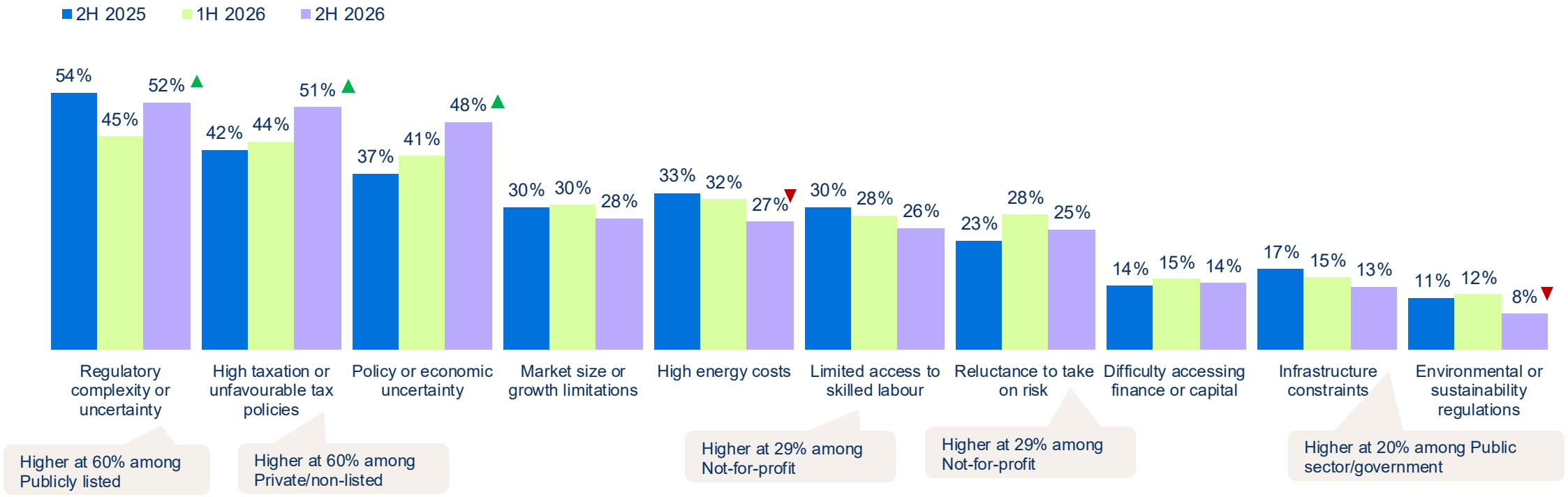


Source: Roy Morgan AICD Director Sentiment Index Survey 2nd Half 2026. Base: AICD Directors 18+, n= 1,371
DD15a. Thinking about the level of skilled migration and its overall impact on the productivity of the Australian economy, which of the following best describes your opinion of Australia's current level of skilled migration? Skilled migration should be …
Note: Question wording changed in 2H 2025, previously asked as "DD15. Thinking about the level of migration and its overall impact on the productivity of the economy, which of the following best describes your opinion of Australia's current level of migration?"

Regulatory complexity or uncertainty remains the top barrier to investment

Taxation and policy & economic uncertainty are also key barriers to increasing business investment that have become more prominent in the last 6 months.

Barriers to increasing business investment in Australia (Total Mentions)



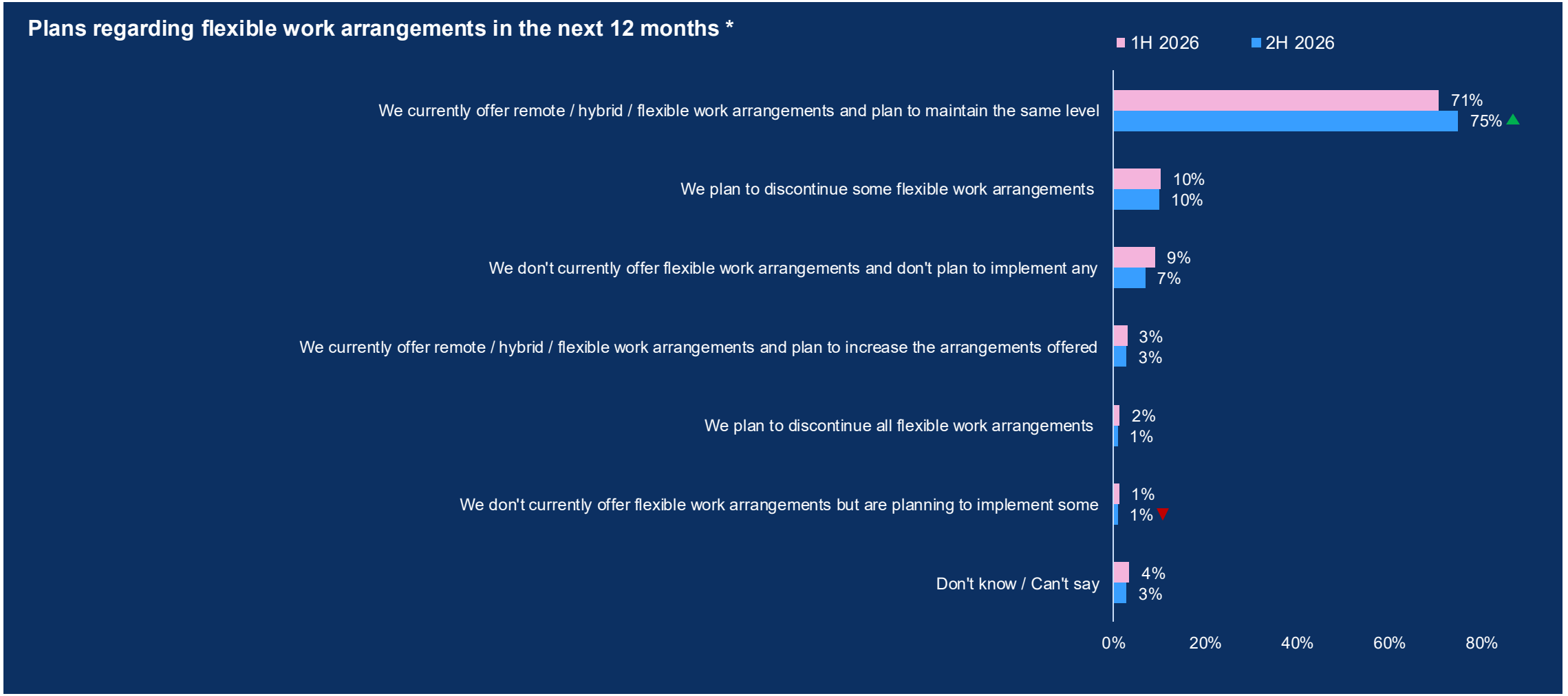
▲▼ Arrows represent significant increase or decrease at 95% or 99% confidence level since 1st Half 2026 survey.

Source: Roy Morgan AICD Director Sentiment Index Survey 2nd Half 2026. Base: AICD Directors 18+, n= 1,371
Bus_invest1. What do you see as the most significant barriers to increasing business investment in Australia?
G1. Based on your personal board experience, please indicate the extent to which you agree or disagree with the following statements:

Three quarters plan to maintain current flexible work arrangements

One in ten organisations plan to discontinue some flexible work arrangements, while a further 7% do not currently offer flexible work and have no plans to introduce it.

Arrows represent significant increase or decrease at 95% or 99% confidence level since 1st Half 2026 survey.

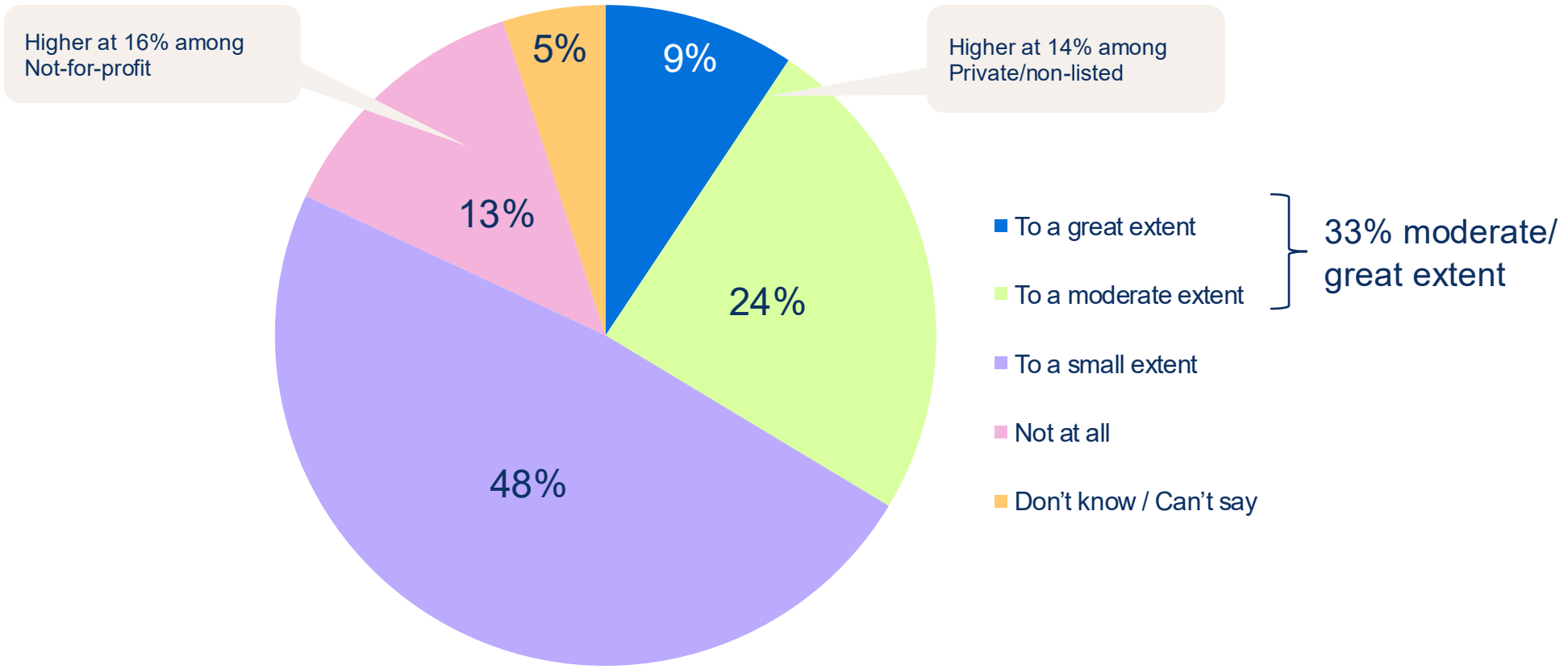


Source: Roy Morgan AICD Director Sentiment Index Survey 2nd Half 2026. Base: AICD Directors 18+, n=1,371
DD_Flex1. Which of the following best represents your organisation's plans regarding flexible work arrangements (i.e. work remotely / from home / hybrid) over the next 12 months?
*Answer options were shortened in 2H 2026 which may affect comparability

Most directors report a small impact of AI on organisational productivity, while a third of directors report a moderate or great impact

Just over 10% of directors report AI has not contributed at all to their organisational productivity.

AI contribution to organisational productivity

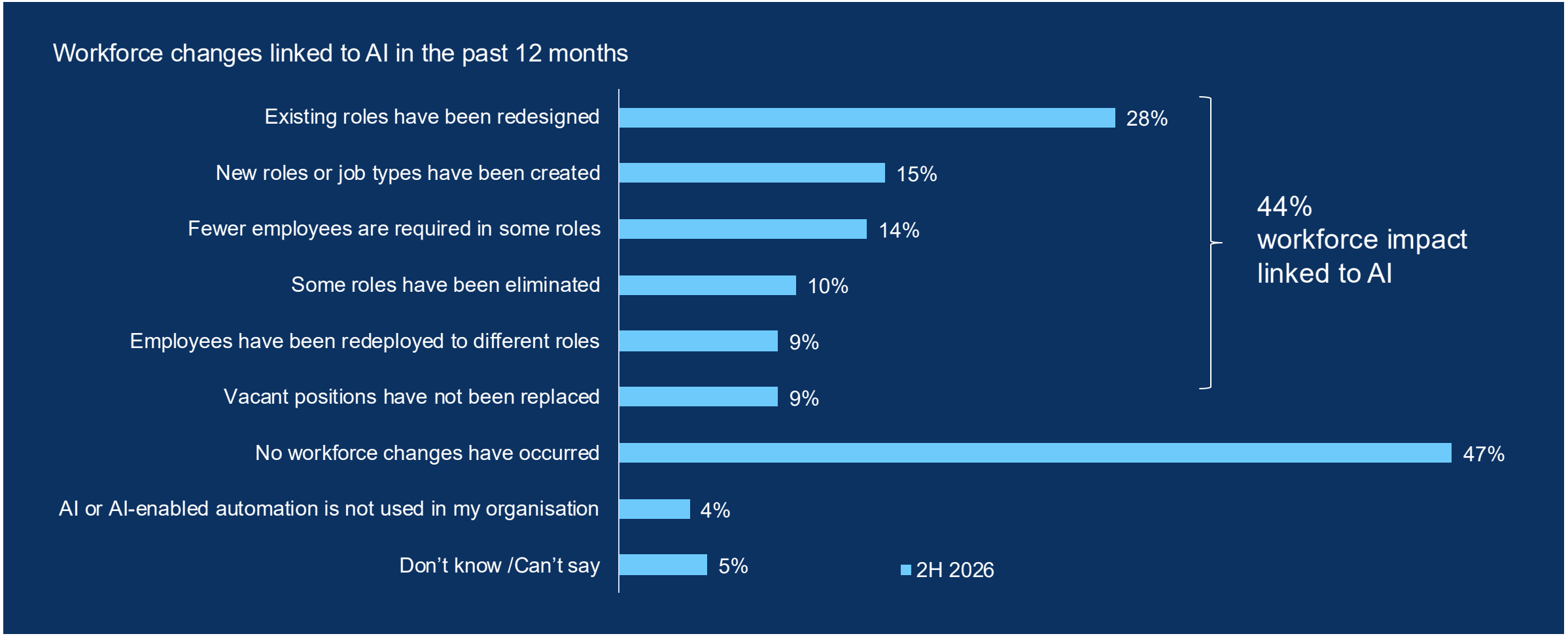


New question in 2H 2026

Source: Roy Morgan AICD Director Sentiment Index Survey 2nd Half 2026. Base: all directors, n=1,371.
AI4. Thinking about the past 12 months, to what extent has AI and AI-enabled automation contributed to improved organisational productivity in your organisation?

Almost half of organisations have seen an impact on their workforce linked to AI in the past 12 months

14% reported fewer employees are required in some roles, 10% had some roles eliminated.

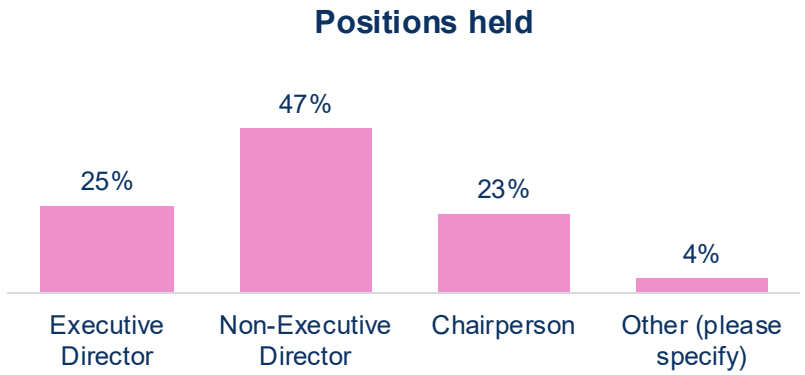


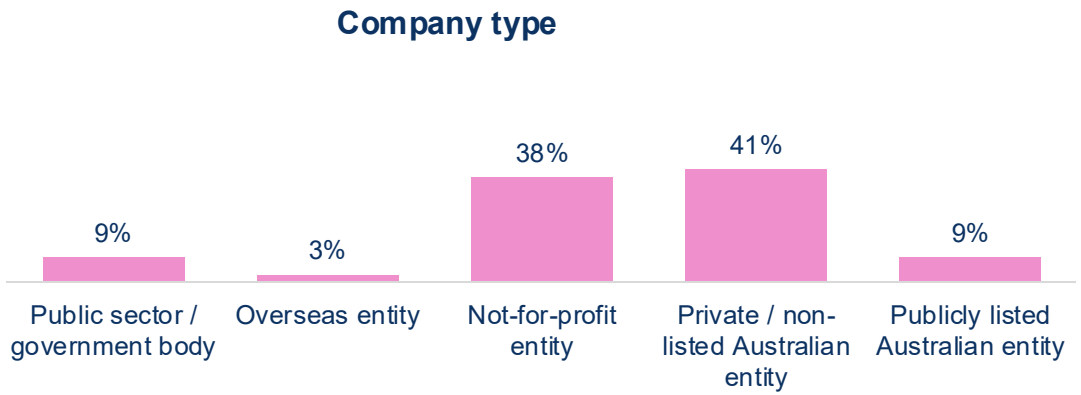
New question in 2H 2026

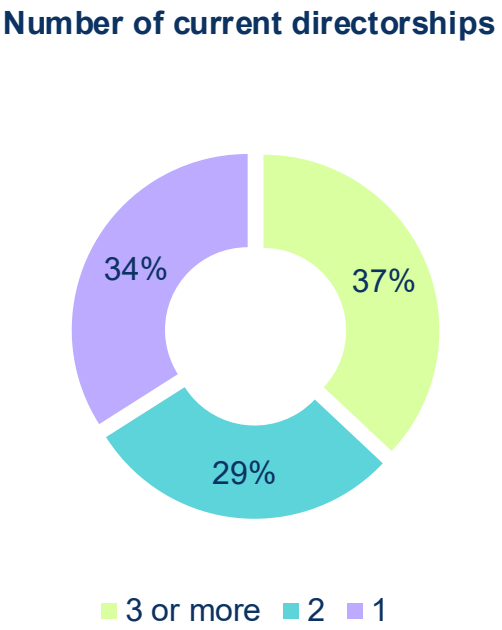
Source: Roy Morgan AICD Director Sentiment Index Survey 2nd Half 2026. Base: all directors, n=1,371.
AI3. Which, if any, of the following workforce changes have occurred in your organisation in the last 12 months as a result of, or partly because of, AI and AI-enabled automation? Select all that apply

Data Appendix

Number of current directorships, director position, company type







Source: Roy Morgan AICD Director Sentiment Index Survey 2nd Half 2026. Base: AICD Directors 18+, n=1,371.
S1. To start with, can we just check your overall number of current directorships?
S2. With regard to your primary directorship, which position do you hold?
S3. With regard to your primary directorship, is it with a…

Economic Outlook

ECONOMIC OUTLOOK INDICATOR	NET BALANCE (%STRONG-%WEAK)										
	2nd HALF 2026	1st HALF 2026	2nd HALF 2025	1st HALF 2025	2nd HALF 2024	1st HALF 2024	2nd HALF 2023	1st HALF 2023	2nd HALF 2022	1st HALF 2022	2nd HALF 2021
Health of the Australian economy – future (N12M**)	**-51**	-14	-10	-3	-28	+7	+2	+7	+15	+38	+53
Health of the state economy – future (N12M)	**-32**	-9	-17	-16	-27	0	-5	+10	+11	+32	+46
Health of the Chinese economy – future (N12M)	**+32**	+27	+20	+2	-25	-18	-21	+21	-8	+45	+24
Health of the Asian (ex. China) economy – future (N12M)	**+23**	+38	+24	+25	+15	+22	+17	+18	0	+28	+29
Health of the European economy – future (N12M)	**-44**	-12	-22	-28	-19	-16	-17	-29	-42	-28	+12
Health of the US economy – future (N12M)	**-29**	-20	-36	+7	0	+15	+2	-3	-22	+14	+29

ECONOMIC OUTLOOK INDICATOR	NET BALANCE (%STRONG-%WEAK)										
	2nd HALF 2026	1st HALF 2026	2nd HALF 2025	1st HALF 2025	2nd HALF 2024	1st HALF 2024	2nd HALF 2023	1st HALF 2023	2nd HALF 2022	1st HALF 2022	2nd HALF 2021
Health of the NSW economy – future (N12M)	**-34**	-3	-1	-6	-20	+13	+6	+7	+14	+41	+69
Health of the VIC economy – future (N12M)	**-85**	-69	-68	-69	-69	-40	-51	-6	-14	+12	+24
Health of the QLD economy – future (N12M)	**+5**	+28	+3	+9	-18	+10	+1	+7	+10	+21	+19
Health of the SA economy – future (N12M)	**-4**	+22	+11	+22	+6	+11	+8	-2	+2	+32	+34
Health of the WA economy – future (N12M)	**+68**	+69	+58	+60	+42	+53	+70	+70	+63	+79	+75
Health of the TAS* economy – future (N12M)	**-78**	-79	-75	-44	-61	-17	+2	+10	+28	+53	+72
Health of the ACT* economy – future (N12M)	**-47**	-46	-33	-16	-14	-7	+8	+25	+39	+47	+51
Health of the NT* economy – future (N12M)	**-16**	-34	-19	-24	-78	-82	-46	-52	+2	+2	+3

Source: Roy Morgan AICD Director Sentiment Index Survey 2nd Half 2026.
2H 2026 base n=1,371. NSW n=420, VIC n=373, QLD n=209, SA n=95, WA n=131, TAS n=41*, ACT n=48*, NT n=12*.
Base: AICD Directors 1st Half 2026 18+ Base n=828. NSW n=263, VIC n=211, QLD n=150, SA n=51, WA n=78, TAS n=18*, ACT n=28*, NT n=9*. AICD Directors 2nd Half 2025 18+ Base n=1,072. NSW n=325, VIC n=322, QLD n=149, SA n=74, WA n=100, TAS n=24*, ACT n=36*, NT n=16*. Base: AICD Directors 1st Half 2025 18+ Base n=1,127. NSW n=339, VIC n=337, QLD n=171, SA n=72, WA n=109, TAS n=20*, ACT n=34*, NT n=19*. Base AICD Directors 2nd Half 2024 18+; n=1,309. NSW n=379, VIC n=371, QLD n=225, SA n=71, WA n=128, TAS n=29*, ACT n=47*, NT n=22*. Base: AICD Directors 1st Half 2024 18+; n=1,087. NSW n=332, VIC n=279, QLD n=192, SA n=59, WA n=109, TAS n=21*, ACT n=41*, NT n=16*. Base: AICD Directors 2nd Half 2023 18+; n=1,324. NSW n=394, VIC n=338, QLD n=222, SA n=88, WA n=146, TAS n=38, ACT n=42, NT n=12. Base: AICD Directors 1st Half 2023 18+; n = 1,324, NSW n=394, VIC n=338, QLD n=222, SA n=88, WA n=146, TAS n=38*, ACT n=42*, NT n=12*. Base: AICD Directors 2nd Half 2022 18+; n=1,475. NSW n=443, VIC n=387, QLD n=234, SA n=98, WA n=156, TAS n=38, ACT n=53, NT n=17. Base: AICD Directors 1st Half 2022 18+; n=1,737. NSW n=525, VIC n=433, QLD n=240, SA n=133, WA n=190, TAS n=48, ACT n=58, NT n=20. Base: AICD Directors 2nd Half 2021 18+; n=1,645. NSW n=521, VIC n=411, QLD n=260, SA n=92, WA n=197, TAS n=33, ACT n=54, NT n=11. * Indicates small base <50 **N12M is Next 12 months.

Business Conditions

BUSINESS CONDITIONS INDICATOR	NET BALANCE (%STRONG-%WEAK)										
	2nd HALF 2026	1st HALF 2026	2nd HALF 2025	1st HALF 2025	2nd HALF 2024	1st HALF 2024	2nd HALF 2023	1st HALF 2023	2nd HALF 2022	1st HALF 2022	2nd HALF 2021
Assessment of AUS business conditions – future (N12M)	**-45**	-15	-12	-5	-24	+3	-2	+11	+15	+30	+50
Assessment of NSW business conditions – future (N12M)	**-39**	-14	-7	-8	-19	+7	-2	+8	+13	+33	+63
Assessment of VIC business conditions – future (N12M)	**-77**	-63	-63	-59	-65	-34	-43	-5	-4	+10	+20
Assessment of QLD business conditions – future (N12M)	**-8**	+18	-5	+8	-22	+10	-6	+8	+14	+16	+26
Assessment of SA business conditions – future (N12M)	**-13**	+3	+5	+8	-7	+4	+6	+11	+7	+23	+33
Assessment of WA business conditions – future (N12M)	**+33**	+53	+38	+41	+24	+36	+57	+56	+55	+70	+68
Assessment of TAS* business conditions – future (N12M)	**-76**	-57	-58	-59	-53	+5	+4	+9	+36	+46	+53
Assessment of ACT* business conditions – future (N12M)	**-53**	-61	-53	-13	-41	-9	+4	+15	+29	+46	+47
Assessment of NT* business conditions – future (N12M)	**+0**	-13	-31	-37	-60	-61	-38	-27	-10	+25	+16

Source: Roy Morgan AICD Director Sentiment Index Survey 2nd Half 2026.
2H 2026 Base n=1,371. NSW n=420, VIC n=373, QLD n=209, SA n=95, WA n=131, TAS n=41*, ACT n=48*, NT n=12*.
Base: AICD Directors 1st Half 2026 18+ Base n=828. NSW n=263, VIC n=211, QLD n=150, SA n=51, WA n=78, TAS n=18*, ACT n=28*, NT n=9*. Base: AICD Directors 2nd Half 2025 18+ Base n=1,072. NSW n=325, VIC n=322, QLD n=149, SA n=74, WA n=100, TAS n=24*, ACT n=36*, NT n=16*. Base: AICD Directors 1st Half 2025 18+ Base n=1,127. NSW n=339, VIC n=337, QLD n=171, SA n=72, WA n=109, TAS n=20*, ACT n=34*, NT n=19*. Base AICD Directors 2nd Half 2024 18+; n=1,309. NSW n=379, VIC n=371, QLD n=225, SA n=71, WA n=128, TAS n=29*, ACT n=47*, NT n=22*. Base: AICD Directors 1st Half 2024 18+; n=1,087. NSW n=332, VIC n=279, QLD n=192, SA n=59, WA n=109, TAS n=21*, ACT n=41*, NT n=16*. Base: AICD Directors 2nd Half 2023 18+; n=1,324. NSW n=394, VIC n=338, QLD n=222, SA n=88, WA n=146, TAS n=38, ACT n=42, NT n=12. Base: AICD Directors 1st Half 2023 18+; n = 1,324, NSW n=394, VIC n=338, QLD n=222, SA n=88, WA n=146, TAS n=38*, ACT n=42*, NT n=12*. Base: AICD Directors 2nd Half 2022 18+; n=1,475. NSW n=443, VIC n=387, QLD n=234, SA n=98, WA n=156, TAS n=38, ACT n=53, NT n=17. Base: AICD Directors 1st Half 2022 18+; n=1,737. NSW n=525, VIC n=433, QLD n=240, SA n=133, WA n=190, TAS n=48, ACT n=58, NT n=20. Base: AICD Directors 2nd Half 2021 18+; n=1,645. NSW n=521, VIC n=411, QLD n=260, SA n=92, WA n=197, TAS n=33, ACT n=54, NT n=11. * Indicates small base <50 **N12M is Next 12 months.

Business Conditions & Micro/Structural Policy Settings

BUSINESS CONDITIONS INDICATOR (TOP ECONOMIC CHALLENGES)	% OF TOTAL MENTIONS										
	2nd HALF 2026	1st HALF 2026	2nd HALF 2025	1st HALF 2025	2nd HALF 2024	1st HALF 2024	2nd HALF 2023	1st HALF 2023	2nd HALF 2022	1st HALF 2022	2nd HALF 2021
Cost of living	**29%**	27%	29%	32%	43%	40%	42%	33%	24%	N/A	N/A
Labour shortages	**15%**	21%	21%	22%	29%	35%	43%	52%	60%	60%	55%
Productivity growth	**39%**	41%	42%	34%	36%	34%	32%	16%	17%	24%	22%
Inflation and high interest rates	**33%**	24%	6%	21%	42%	28%	39%	56%	49%	N/A	N/A
Regulation requirements / red tape	**24%**	29%	35%	25%	23%	24%	19%	17%	12%	20%	23%
Global economic uncertainty	**40%**	34%	39%	37%	24%	22%	22%	27%	28%	55%	30%
Climate change	**8%**	10%	13%	13%	16%	21%	26%	18%	22%	34%	38%
Energy policy	**12%**	14%	21%	22%	19%	21%	25%	24%	20%	21%	22%
Industrial relations	**10%**	10%	14%	14%	20%	21%	-	-	-	-	-
Taxation system	**20%**	15%	16%	12%	13%	17%	12%	11%	7%	11%	13%
Supply chain challenges	**10%**	8%	7%	7%	9%	15%	14%	23%	33%	N/A	N/A
Government debt levels	**15%**	18%	16%	14%	14%	9%	12%	8%	9%	13%	14%
Trade with China	**NA**	2%	4%	5%	6%	6%	8%	9%	10%	23%	30%
Global protectionism	**NA**	8%	14%	17%	3%	4%	2%	2%	2%	6%	7%
Domestic economic conditions	**23%**	19%	20%	19%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other	**3%**	2%	2%	4%	-	4%	3%	2%	2%	3%	3%

BUSINESS CONDITIONS INDICATOR	NET BALANCE (%INCREASE-%DECREASE)										
	2nd HALF 2026	1st HALF 2026	2nd HALF 2025	1st HALF 2025	2nd HALF 2024	1st HALF 2024	2nd HALF 2023	1st HALF 2023	2nd HALF 2022	1st HALF 2022	2nd HALF 2021
Investment Levels	**-11**	+12	+16	+16	+6	+13	+13	+13	+15	+36	+54
Staffing Levels / Labour Demands	**-3**	+15	+13	+12	+4	+18	+22	+28	+45	+57	+60
Wage Levels	**+51**	+59	+57	+58	+54	+65	+69	+72	+78	+72	+67
Costs (e.g. raw materials, energy)	**+90**	+86	+82	+82	+81	+82	+83	+86	+89	+89	+83

MICRO/STRUCTURAL INDICATOR	NET BALANCE (%AGREED-%DISAGREED)										
	2nd HALF 2026	1st HALF 2026	2nd HALF 2025	1st HALF 2025	2nd HALF 2024	1st HALF 2024	2nd HALF 2023	1st HALF 2023	2nd HALF 2022	1st HALF 2022	2nd HALF 2021
Federal government understands business	**-42**	-29	-31	-31	-38	-29	-21	-11	-2	+6	+7
NSW government understands business	**-1**	+8	+3	+3	-2	-11	-10	+30	+25	+29	+61
VIC government understands business	**-63**	-64	-65	-56	-60	-39	-48	-12	-18	-23	-22
QLD government understands business	**+30**	+26	+31	+35	-51	-49	-57	-52	-48	-40	-40
SA government understands business	**+25**	+46	+20	+43	+13	+7	+2	+7	+7	+39	+22
WA government understands business	**+1**	+18	-1	+7	+1	-6	+14	+16	+22	+11	+13
TAS* government understands business	**-17**	-45	-46	-56	-8	+21	+15	+29	+37	+45	+54
ACT* government understands business	**-37**	-60	-28	-14	-29	-21	-47	-14	-10	+4	+11
NT* government understands business	**+25**	+11	+12	+4	-15	-37	-15	-42	-20	-46	-26

Source: Roy Morgan AICD Director Sentiment Index Survey 2nd Half 2026.
2H 2026 Base n=1,371. NSW n=420, VIC n=373, QLD n=209, SA n=95, WA n=131, TAS n=41*, ACT n=48*, NT n=12*. NA = not asked/excluded in 2H.
Base: AICD Directors 1st Half 2026 18+ Base n=828. NSW n=263, VIC n=211, QLD n=150, SA n=51, WA n=78, TAS n=18*, ACT n=28*, NT n=9*. Base: AICD Directors 2nd Half 2025 18+ Base n=1,072. NSW n=325, VIC n=322, QLD n=149, SA n=74, WA n=100, TAS n=24*, ACT n=36*, NT n=16*. Base: AICD Directors 1st Half 2025 18+ Base n=1,127. NSW n=338, VIC n=337, QLD n=171, SA n=72, WA n=109, TAS n=20*, ACT n=34*, NT n=19*. Base AICD Directors 2nd Half 2024 18+; n=1,309. NSW n=379, VIC n=371, QLD n=225, SA n=71, WA n=128, TAS n=29*, ACT n=47*, NT n=22*. Base: AICD Directors 1st Half 2024 18+; n=1,087. NSW n=332, VIC n=279, QLD n=192, SA n=59, WA n=109, TAS n=21*, ACT n=41*, NT n=16*. Base: AICD Directors 2nd Half 2023 18+; n=1,324. NSW n=394, VIC n=338, QLD n=222, SA n=88, WA n=146, TAS n=38, ACT n=42, NT n=12. Base: AICD Directors 1st Half 2023 18+; n = 1,324, NSW n=394, VIC n=338, QLD n=222, SA n=88, WA n=146, TAS n=38*, ACT n=42*, NT n=12*. Base: AICD Directors 2nd Half 2022 18+; n=1,475. NSW n=443, VIC n=387, QLD n=234, SA n=98, WA n=156, TAS n=38, ACT n=53, NT n=17. Base: AICD Directors 1st Half 2022 18+; n=1,737. NSW n=525, VIC n=433, QLD n=240, SA n=133, WA n=190, TAS n=48, ACT n=58, NT n=20. Base: AICD Directors 2nd Half 2021 18+; n=1,645. NSW n=521, VIC n=411, QLD n=260, SA n=92, WA n=197, TAS n=33, ACT n=54, NT n=11. * Indicates small base <50 **N12M is Next 12 months. Total mentions = Percentage of respondents who nominated this as a top 3 issue

Micro/Structural & Macro Policy Settings

MICRO/STRUCTURAL INDICATOR	NET BALANCE (%SATISFIED-%DISSATISFIED)										
	2nd HALF 2026	1st HALF 2026	2nd HALF 2025	1st HALF 2025	2nd HALF 2024	1st HALF 2024	2nd HALF 2023	1st HALF 2023	2nd HALF 2022	1st HALF 2022	2nd HALF 2021
Corporate taxation / company tax rates	**-47**	-40	-37	-30	-27	-29	-29	-20	-20	-19	-18
Personal taxation / personal income tax	**NA**	-52	-46	-39	-35	-41	-36	-33	-30	-30	-28
GST	**NA**	-15	-12	-2	-6	-8	-5	+3	+2	0	+3
Government spending on infrastructure	**NA**	-28	-24	-24	-18	-19	-15	-3	-2	-6	+10
Government openness to foreign investment	**-16**	-8	-5	-4	-6	-2	-2	+8	+7	+3	+4
Support for international trade	**NA**	+3	-2	+10	+2	+2	+10	+16	+12	+11	+10
Gov. spending on education and training	**NA**	-43	-42	-40	-42	-40	-34	-40	-40	-41	-32
Gov. support for innovation and R&D	**-58**	-53	-48	-45	-46	-43	-44	-40	-40	-40	-37
Climate and Energy Policy**	**-52**	-47	-49	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

MACRO POLICY INDICATOR	NET BALANCE (%AGREED-%DISAGREED)								
	2nd HALF 2026	1st HALF 2026	2nd HALF 2025	1st HALF 2025	2nd HALF 2024	1st HALF 2024	2nd HALF 2023	1st HALF 2023	2nd HALF 2022
The RBA's approach to interest rates is appropriate for current economic conditions***	**+33**	+48	+44	N/A	N/A	N/A	N/A	N/A	N/A
The RBA lowering interest rates would have a positive impact on the economy***	**+8**	+17	+54	+54	+50	+53	N/A	N/A	N/A
Current monetary policies will cause a major uptick in business insolvency	**+44**	+18	+4	+18	+41	+29	+38	+44	+34

MACRO POLICY INDICATOR	NET BALANCE (%POSITIVE-%NEGATIVE)										
	2nd HALF 2026	1st HALF 2026	2nd HALF 2025	1st HALF 2025	2nd HALF 2024	1st HALF 2024	2nd HALF 2023	1st HALF 2023	2nd HALF 2022	1st HALF 2022	2nd HALF 2021
Impact on business of current Federal fiscal policy settings	**-61**	-52	-44	-37	-40	-33	-28	-29	-22	-14	-11
Impact on business of current state fiscal policy settings	**-48**	-42	-42	-39	-42	-36	-36	-27	-23	-15	-8
Impact on business of current RBA monetary policy	**-29**	-12	+1	-14	-27	-24	-29	-36	-32	+14	+19
Impact on business of current level of the Australian dollar	**-12**	-2	-15	-24	-16	-15	-29	-9	-13	+3	+6
Impact on business of the availability of business credit	**-14**	-1	-9	-5	-12	-12	-16	-12	-10	+9	+13
Inflationary Pressures and High Costs	**-87**	-83	-76	-73	N/A	NA	NA	NA	NA	NA	NA

MACRO POLICY INDICATOR	NET BALANCE (%POSITIVE-%NEGATIVE)										
	2nd HALF 2026	1st HALF 2026	2nd HALF 2025	1st HALF 2025	2nd HALF 2024	1st HALF 2024	2nd HALF 2023	1st HALF 2023	2nd HALF 2022	1st HALF 2022	2nd HALF 2021
NSW policy settings affect on business	**-40**	-36	-30	-29	-33	-31	-29	-14	-11	-7	+14
VIC policy settings affect on business	**-80**	-78	-71	-74	-67	-54	-60	-36	-31	-24	-28
QLD policy settings affect on business	**-24**	-20	-21	-22	-49	-46	-42	-45	-49	-33	-34
SA policy settings affect on business	**-34**	-10	-36	-9	-18	-20	-21	-25	-17	-3	+5
WA policy settings affect on business	**-24**	-22	-20	-15	-15	-12	-2	-20	-14	-12	0
TAS* policy settings affect on business	**-72**	-61	-75	-75	-53	-36	-16	-24	-14	+15	+39
ACT* policy settings affect on business	**-54**	-64	-47	-35	-26	-29	-42	-20	-26	-5	-12
NT* policy settings affect on business	**-37**	-54	-50	-45	-63	-46	-58	-64	-35	-32	-18

Source: Roy Morgan AICD Director Sentiment Index Survey 2nd Half 2026.
2H 2026 base n=1,371. NSW n=420, VIC n=373, QLD n=209, SA n=95, WA n=131, TAS n=41*, ACT n=48*, NT n=12*. NA = not asked/excluded in 2H.
Base: AICD Directors 1st Half 2026 18+ Base n=828. NSW n=263, VIC n=211, QLD n=150, SA n=51, WA n=78, TAS n=18*, ACT n=28*, NT n=9*. Base: AICD Directors 2nd Half 2025 18+ Base n=1,072. NSW n=325, VIC n=322, QLD n=149, SA n=74, WA n=100, TAS n=24*, ACT n=36*, NT n=16*. Base: AICD Directors 1st Half 2025 18+ Base n=1,127. NSW n=339, VIC n=337, QLD n=171, SA n=72, WA n=109, TAS n=20*, ACT n=34*, NT n=19*. Base AICD Directors 2nd Half 2024 18+; n=1,309. NSW n=379, VIC n=371, QLD n=225, SA n=71, WA n=128, TAS n=29*, ACT n=47*, NT n=22*. Base: AICD Directors 1st Half 2024 18+; n=1,087. NSW n=332, VIC n=279, QLD n=192, SA n=59, WA n=109, TAS n=21*, ACT n=41*, NT n=16*. Base: AICD Directors 2nd Half 2023 18+; n=1,324. NSW n=394, VIC n=338, QLD n=222, SA n=88, WA n=146, TAS n=38, ACT n=42, NT n=12. Base: AICD Directors 1st Half 2023 18+; n= 1,324, NSW n=394, VIC n=338, QLD n=222, SA n=88, WA n=146, TAS n=38*, ACT n=42*, NT n=12*. Base: AICD Directors 2nd Half 2022 18+; n=1,475. NSW n=443, VIC n=387, QLD n=234, SA n=98, WA n=156, TAS n=38, ACT n=53, NT n=17. Base: AICD Directors 1st Half 2022 18+; n=1,737. NSW n=525, VIC n=433, QLD n=240, SA n=133, WA n=190, TAS n=48, ACT n=58, NT n=20. Base: AICD Directors 2nd Half 2021 18+; n=1,645. NSW n=521, VIC n=411, QLD n=260, SA n=92, WA n=197, TAS n=33, ACT n=54, NT n=11. * Indicates small base <50. **New items added in 2H 2025. ***Item changed in 1H 2026.

Directorship Conditions & Topical / Deep-Dive Issues

DIRECTORSHIP CONDITIONS INDICATOR	NET BALANCE (%AGREED-%DISAGREED)										
	2nd HALF 2026	1st HALF 2026	2nd HALF 2025	1st HALF 2025	2nd HALF 2024	1st HALF 2024	2nd HALF 2023	1st HALF 2023	2nd HALF 2022	1st HALF 2022	2nd HALF 2021
Current governance regulations are appropriately balanced	**-9**	-10	-16	-2	+7	+7	+9	+13	+17	N/A	N/A
Current level of corporate reporting requirements is satisfactory	**+5**	+7	+7	+10	+21	+20	+21	+30	+30	+30	+32
Current level of diversity on Australian boards is satisfactory	**-21**	-18	-18	-12	-22	-23	-24	-29	-30	-33	-33
Current director liability provisions have a negative impact on decision making	**+2**	-3	+4	+2	+1	+5	+4	+3	-2	+3	+6
My board faces difficulties recruiting new talented directors	**NA**	+4	+3	+7	+3	+7	+9	+11	+9	+10	N/A
Regulatory and compliance requirements are limiting productivity growth in our business*	**+50**	+54	+52	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investment in innovation and R&D will enhance productivity in our business over the next year*	**NA**	+52	+50	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

TOPICAL/DEEP-DIVE INDICATOR (ISSUES KEEP YOU AWAKE)	TOTAL MENTIONS									
	2nd HALF 2026	1st HALF 2026	2nd HALF 2025	1st HALF 2025	2nd HALF 2024	1st HALF 2024	2nd HALF 2023	1st HALF 2023	2nd HALF 2022	1st HALF 2022
Cyber-crime / data security	**35%**	29%	34%	30%	39%	43%	45%	50%	37%	43%
Legal and regulatory compliance	**31%**	31%	29%	32%	34%	30%	30%	32%	27%	26%
Domestic economic conditions	**40%**	34%	28%	32%	39%	28%	N/A	N/A	N/A	N/A
Corporate culture	**18%**	20%	18%	20%	22%	21%	22%	22%	21%	22%
Reputation and crisis management	**23%**	22%	22%	22%	N/A	N/A	N/A	N/A	N/A	N/A
Labour shortages	**12%**	12%	12%	14%	17%	21%	22%	30%	33%	28%
Level of personal liability for directors	**16%**	13%	15%	16%	19%	20%	19%	19%	18%	14%
CEO succession	**NA**	18%	17%	18%	17%	20%	18%	22%	18%	20%
Global economic conditions	**30%**	18%	20%	23%	20%	17%	23%	23%	27%	28%
Attracting new talent	**NA**	14%	14%	17%	16%	18%	20%	21%	26%	24%
Global conflicts	**NA**	13%	14%	15%	11%	17%	23%	23%	27%	28%
Impact of Artificial Intelligence (AI)	**39%**	26%	24%	16%	15%	14%	14%	N/A	N/A	N/A
Industrial relations	**8%**	7%	8%	9%	13%	13%	10%	7%	8%	N/A
Risk of insolvency	**14%**	13%	12%	15%	15%	13%	N/A	N/A	N/A	N/A
Climate change	**NA**	7%	8%	10%	13%	11%	20%	13%	18%	20%
Climate / sustainability reporting	**3%**	2%	3%	2%	4%	5%	6%	5%	5%	N/A
Low productivity*	**24%**	19%	17%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Attracting funding / Government funding	**NA**	1%	1%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
No other concerns	**NA**	0%	0%	N/A	1%	0%	0%	N/A	N/A	0%
Other	**5%**	3%	4%	6%	5%	3%	5%	4%	4%	3%
None	**1%**	0%	1%	1%	1%	1%	1%	1%	1%	2%

Source: Roy Morgan AICD Director Sentiment Index Survey 2nd Half 2026.
2H 2026 base n=1,371. NSW n=420, VIC n=373, QLD n=209, SA n=95, WA n=131, TAS n=41*, ACT n=48*, NT n=12*. NA = not asked/excluded in 2H.
Base: AICD Directors 1st Half 2026 18+ Base n=828. NSW n=263, VIC n=211, QLD n=150, SA n=51, WA n=78, TAS n=18*, ACT n=28*, NT n=9*. Base: AICD Directors 2nd Half 2025 18+ Base n=1,072; Base: AICD Directors 1st Half 2025 18+ Base n=1,127; Base AICD Directors 2nd Half 2024 18+; n=1,309; Base AICD Directors 1st Half 2024 18+ Base: n=1,087; Base AICD Directors 2nd Half 2023 n=1,324; Base AICD Directors 1st Half 2023 n=1,324; Base AICD Directors 2nd Half 2022 n=1,475; Base AICD Directors 1st Half 2022 n=1,737; Base AICD Directors 2nd Half 2021 n=1,645. Total mentions = Percentage of respondents who nominated this as a top 3 issue.
*Changed from Low / Poor enterprise productivity in 1H 2026

Topical / Deep-Dive Issues

TOPICAL INDICATOR (TOP ISSUES GOVERNMENT SHOULD ADDRESS)	TOTAL MENTIONS SHORT-TERM											TOTAL MENTIONS LONG-TERM										
	2nd HALF 2026	1st HALF 2026	2nd HALF 2025	1st HALF 2025	2nd HALF 2024	1st HALF 2024	2nd HALF 2023	1st HALF 2023	2nd HALF 2022	1st HALF 2022	2nd HALF 2021	2nd HALF 2026	1st HALF 2026	2nd HALF 2025	1st HALF 2025	2nd HALF 2024	1st HALF 2024	2nd HALF 2023	1st HALF 2023	2nd HALF 2022	1st HALF 2022	2nd HALF 2021
Housing affordability/ housing supply	**22%**	33%	28%	33%	33%	35%	34%	28%	22%	19%	22%	**15%**	22%	18%	19%	20%	21%	19%	15%	13%	14%	15%
Productivity growth	**46%**	43%	39%	35%	35%	31%	32%	23%	25%	20%	23%	**37%**	33%	28%	30%	28%	23%	24%	20%	20%	18%	22%
Taxation reform	**26%**	31%	26%	22%	23%	26%	23%	21%	19%	21%	26%	**21%**	21%	21%	19%	21%	22%	20%	19%	17%	14%	20%
Lack of skills in workforce/ skills shortages	**17%**	16%	18%	24%	23%	25%	26%	34%	43%	36%	41%	**13%**	13%	15%	13%	15%	16%	15%	18%	20%	18%	18%
Energy policy	**20%**	19%	23%	26%	25%	24%	32%	30%	26%	24%	27%	**18%**	18%	20%	22%	22%	20%	24%	21%	21%	20%	22%
Climate change	**13%**	13%	18%	17%	22%	21%	32%	27%	33%	39%	48%	**25%**	24%	29%	28%	33%	36%	41%	42%	44%	50%	59%
Education	**6%**	6%	10%	10%	12%	14%	12%	15%	12%	16%	17%	**10%**	10%	12%	13%	13%	17%	14%	17%	17%	18%	20%
Health	**7%**	10%	12%	12%	14%	13%	12%	19%	16%	16%	17%	**10%**	12%	15%	14%	15%	13%	14%	18%	16%	15%	16%
Defence	**6%**	9%	13%	11%	7%	12%	8%	12%	11%	10%	0%	**11%**	15%	16%	16%	13%	17%	11%	16%	15%	11%	0%
Cyber security threats	**11%**	6%	11%	13%	15%	17%	N/A	N/A	N/A	N/A	N/A	**8%**	5%	8%	7%	8%	11%	N/A	N/A	N/A	N/A	N/A
Industrial relations	**9%**	7%	9%	13%	15%	12%	8%	6%	8%	N/A	N/A	**5%**	4%	5%	5%	6%	6%	4%	3%	5%	N/A	N/A
Deregulation	**7%**	6%	9%	7%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	**4%**	5%	6%	5%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ageing population	**10%**	14%	13%	11%	12%	11%	13%	12%	12%	15%	12%	**24%**	25%	24%	25%	29%	23%	29%	28%	24%	25%	26%
Innovation policy / Barriers to innovation	**13%**	9%	13%	11%	12%	11%	12%	13%	11%	17%	0%	**13%**	10%	13%	13%	13%	12%	13%	15%	14%	17%	0%
International competitiveness	**11%**	9%	13%	14%	12%	11%	11%	11%	11%	12%	20%	**18%**	16%	18%	23%	20%	18%	18%	18%	21%	21%	27%
Regulation of Artificial Intelligence (AI)	**29%**	13%	11%	9%	8%	10%	3%	N/A	N/A	N/A	N/A	**16%**	12%	10%	9%	9%	11%	9%	N/A	N/A	N/A	N/A
Infrastructure	**6%**	7%	9%	9%	8%	9%	10%	10%	10%	14%	15%	**11%**	12%	12%	13%	13%	13%	15%	14%	14%	16%	18%
Federal budget position	**22%**	22%	15%	12%	12%	7%	10%	12%	11%	10%	14%	**22%**	18%	16%	12%	11%	8%	12%	16%	16%	15%	18%
Indigenous reconciliation	**2%**	3%	3%	3%	4%	6%	11%	14%	9%	N/A	N/A	**3%**	3%	4%	6%	6%	7%	8%	9%	10%	N/A	N/A
Australia-China relationship	**NA**	3%	5%	6%	5%	6%	8%	12%	11%	18%	0%	**NA**	4%	7%	6%	6%	7%	7%	9%	11%	14%	0%
Other	**3%**	1%	2%	2%	2%	2%	1%	2%	1%	2%	0%	**2%**	1%	1%	1%	1%	1%	1%	1%	1%	1%	0%

Source: Roy Morgan AICD Director Sentiment Index Survey 2nd Half 2026.
2H 2026 base n=1,371. NSW n=420, VIC n=373, QLD n=209, SA n=95, WA n=131, TAS n=41*, ACT n=48*, NT n=12*. NA = not asked/excluded in 2H.
Base: AICD Directors 1st Half 2026 18+ Base n=828. NSW n=263, VIC n=211, QLD n=150, SA n=51, WA n=78, TAS n=18*, ACT n=28*, NT n=9*. Base: AICD Directors 2nd Half 2025 18+ Base n=1,072. Base: AICD Directors 1st Half 2025 18+ Base n=1,127;
Base: AICD Directors 2nd Half 2024 18+ Base n=1,309; Base: AICD Directors 1st Half 2024 18+; n=1,087; Base: AICD Directors 2nd Half 2023 n=1,352; Base: AICD Directors 1st Half 2023 18+; n=1,324; Base: AICD Directors 2nd Half 2022 n=1,475; Base: AICD Directors 1st Half 2022 n=1,737; Base: AICD Directors 2nd Half 2021 n=1,645. Total mentions = Percentage of respondents who nominated this as a top 3 issue. Amendments to list may impact comparability with previous results.

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