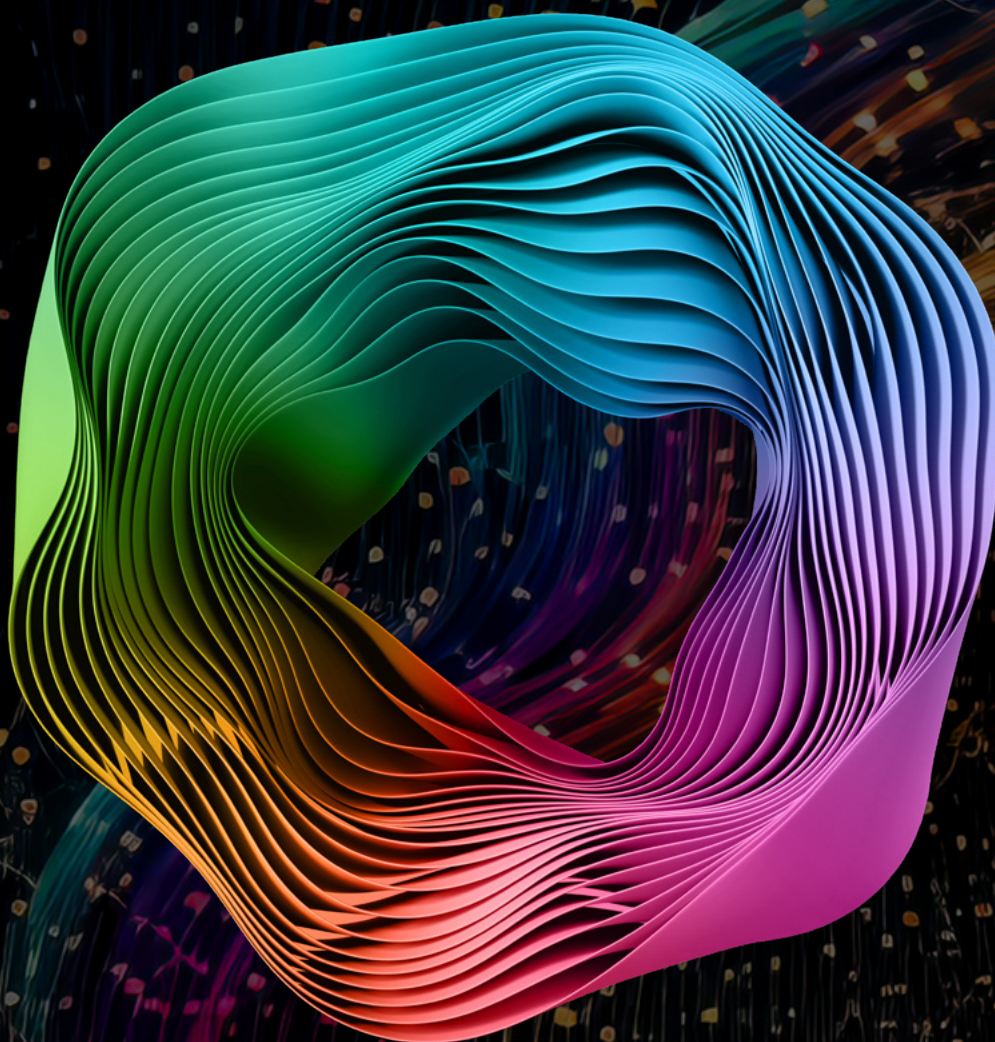


Deloitte.



Generative AI:
Australia update

Deloitte AI Institute

Deloitte
Access Economics

Report overview

This report was co-developed by Deloitte Access Economics and the Deloitte AI Institute to provide insights for Australian C-suite executives on generative artificial intelligence (GenAI) and its increasing popularity with university students and employees. The report findings are based on a survey of more than 11,900 Asia Pacific residents, including nearly 1,300 Australian students and employees.

This is an expansion of the previous edition of the report, *Generation AI: Ready or not, here we come*, which was released in 2023. It enables an examination of trends in GenAI use within Australia and allows for cross-country comparisons across Asia Pacific.

GenAI use among Australian employees continues to grow rapidly

Generative Artificial Intelligence (GenAI) continues its transformation of work and study in Australia. GenAI applications like ChatGPT, Midjourney, and GitHub Copilot continue to grow in capabilities and are being joined by the likes of Gemini and Claude. This report, 12 months since the release of our research report, *Generation AI: Ready or not, here we come!*, updates our analysis of GenAI use and attitudes when it comes to this fast paced technology. We find that GenAI use in Australian workplaces has increased from **32% to 38% of all employees**.^{i,ii} In comparison, the number of internet users in Australia has increased by 1%.¹ This **20% increase** in GenAI usage in less than a year represents a significant jump in usage on top of already fast adoption.

Young people who have grown up with AI already in their life — who we have dubbed ‘Generation AI’ — continue to lead the adoption of GenAI in Australia. Australian employees aged 18 to 24 years old are **more than twice as likely** to be using GenAI compared to those aged 55 years or older. This suggests that age and early exposure to digital technologies are key drivers of high GenAI use.

「**38%**」
of employees use
GenAI in Australian
workplaces
」

ⁱ To ensure comparability between the 2023 and 2024 surveys, the 2024 survey responses were weighted based on the age of 2023 survey respondents for this question.

ⁱⁱ Due to a lack of familiarity with the term ‘generative AI’ in 2023, the 2023 survey referred to ChatGPT throughout. In 2024, ChatGPT was expanded to include all forms of generative AI. This should be kept in mind when making cross survey comparisons.

Employees have transitioned from experimenting to systematically applying GenAI at work

In the past 12 months, **64%** of GenAI users have increased the amount they engage with the tool.ⁱⁱⁱ **1 in 5** have more than doubled their use. Employees are utilising GenAI more frequently and for a greater number of tasks at, including creating written content, generating ideas, and conducting research. For example, in the past 12 months the share of employees using generative AI to create written content has increased by nearly 60%.

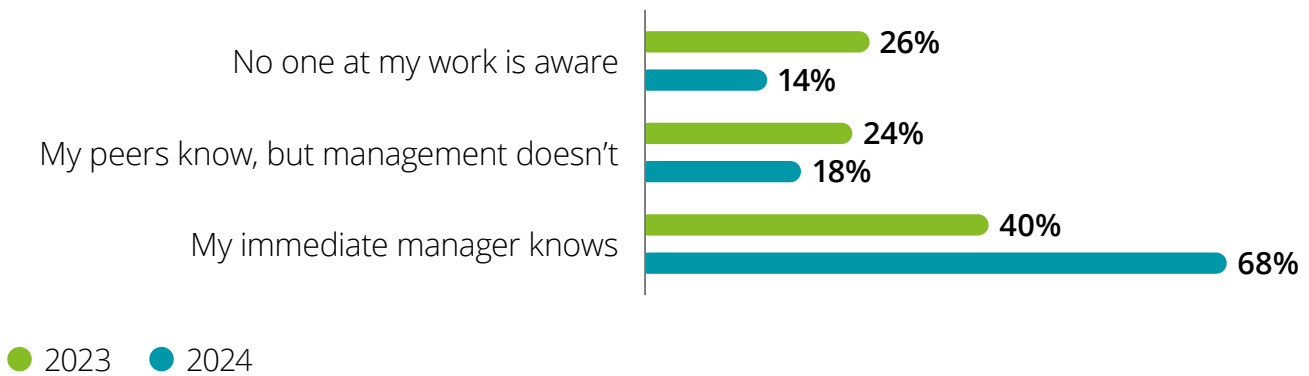
There is increasing awareness among managers around employee use of GenAI. The percentage of Australian employees using GenAI for work purposes who believe management knows has increased from **36% to 56%** in past year (Figure 1). This indicates increasing recognition among employees and management about the value from GenAI.

However, **more than a quarter (27%)** employees continue to use operating without the knowledge of management. This unsupervised use of GenAI leads to potential risks, such as misuse of confidential information, and suggests businesses are still having to play catch-up with their own employees. When asked to categorise their place of employment in terms of maturity of GenAI use (by selecting either laggard, late majority, early majority, early adopter, or innovator), **only 14%** of Australian employees consider their business to be early adopters or innovators. This is expected to increase to just 20% in five years' time.

More than a **1/4**
of employees use GenAI
without the knowledge
of management

ⁱⁱⁱ This statistic refers to survey respondents who were using GenAI 12 months ago.

Figure 1: Managers are increasingly aware of GenAI use by employees



Source: Deloitte GenAI surveys (2023 and 2024)

As in 2023, users of GenAI are experiencing large improvements in their productivity, performance, and wellbeing

According to our GenAI survey, **3 in 4 Australians** that use GenAI said that it has improved the speed at which they can complete tasks. This increased speed has led to significant time savings. Half of GenAI users (47%) said they use the time saved to complete additional tasks at work, while 1 in 4 invested time in additional learning or skill development.

GenAI has also improved Australians performance at work. In 2024, **70% of Australian employees** agreed that GenAI had improved their ability to generate new ideas, compared to 67% in 2023. Further, most Australian employees said that GenAI:

- increased the quality of their outputs (67%),
- improved their ability to learn new skills (60%), and
- increased the accuracy of their outputs (56%).

1 in 2 (48%) of GenAI users said that the technology has increased the wellbeing they feel during work and/or study. Two thirds (64%) agree that the nature of their work and/or study has improved, reflecting that GenAI allows users to automate repetitive tasks and focus on engaging projects.

How will businesses be disrupted by GenAI?

GenAI is not merely a productivity enhancing tool. It is a new technology that businesses are increasingly employing to develop novel service offerings and re-organise business processes.

Three notable examples of business GenAI adoption in Australia include:

- **Telstra** developing a GenAI knowledge bot, *AskTelstra*, which allows staff to search over 2,000 manuals via a simple interface.
- **Lendlease** creating a digital platform, *Podium for Development*, which uses computational design and GenAI to configure optimal designs and reduce waste.
- **Foresight Medical** utilising GenAI to recognise ocular biomarkers and, in turn, advance the early diagnosis of Alzheimer's disease.

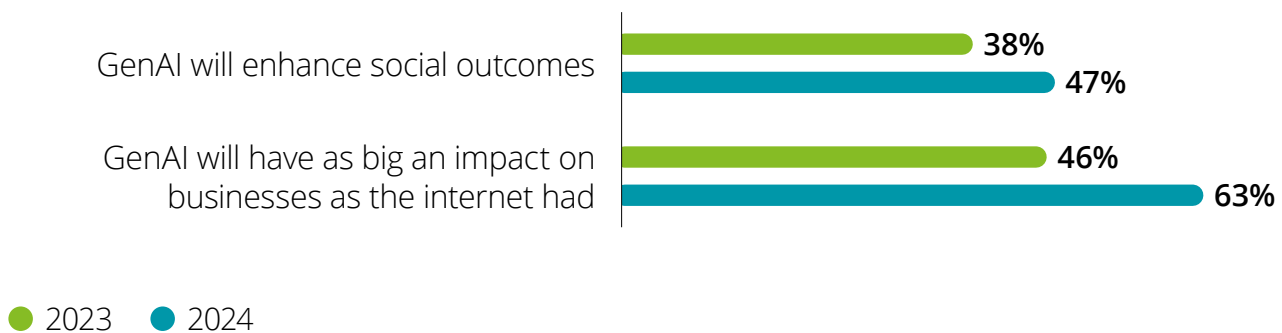
This is likely to be a disruptive process, where new entrants to the market will utilise GenAI to challenge established business models and incumbents.

Finance, information, computing, and technology (ICT) and media, professional services, and education will face imminent and extensive disruption, based on analysis undertaken in the original Generation AI report. GenAI will also generate significant disruptions across a range of other industries, including healthcare, government services, real estate, and the arts.

Australians are also increasingly expecting GenAI to generate significant economic and social change

In the past 12 months, the percentage of Australian employees who agree GenAI will have as big an impact on business as the internet had has increased from **46% to 63%** (Figure 2). Similarly, the percentage who believe GenAI will enhance social outcomes – such as, access to training, education, and healthcare – has **increased by 24%**.

Figure 2: Expectations of the economic and social impact of GenAI are rising



Source: Deloitte GenAI surveys (2023 and 2024)

「47%」
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」

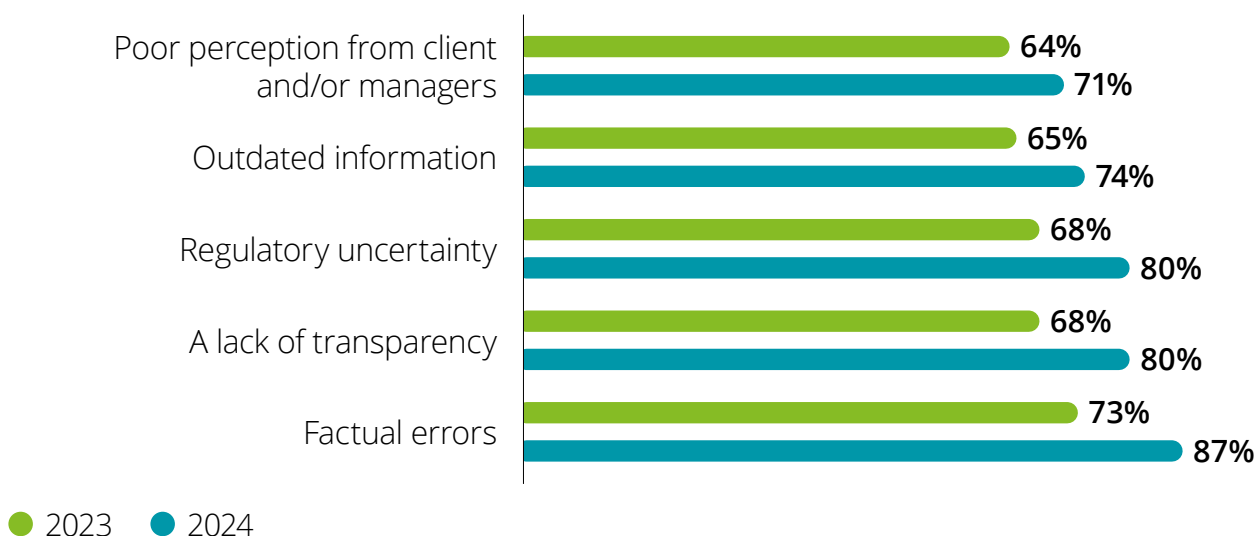
Australian employees are now more concerned than ever about the risks of GenAI

In the past 12 months, the share of Australian employees who are concerned about key risks associated with GenAI use has increased across each risk type (see Figure 3).

For example, in 2023, 73% of employees were alarmed about GenAI making factual errors. By 2024, this percentage had **increased to 87%**. Other major concerns for Australian employees in 2024 include the misuse of personal, confidential, or sensitive information (89% of surveyed respondents), legal risk and copyright infringement (84%) and a lack of accountability (84%).

Australian business leaders need to address these risks and empower employees to fully utilise GenAI applications. In doing so, businesses can mitigate these risks. Addressing these risks are a business imperative. Over the longer term, businesses that do not explore the use of GenAI in their business or industry risk being left behind by competitors.

Figure 3: Australian employees are increasingly alarmed about GenAI risks



Source: Deloitte GenAI surveys (2023 and 2024)

Australian businesses need to do more to embrace GenAI

While 38% of Australian employees are using GenAI for work purposes, **47%** are not aware of any actions taken by their business to respond to its rapid emergence in the workforce. This may reflect either a lack of action or a breakdown in communication between senior leaders and employees about the response to this important development. As a result, **only 20%** of employees believe their business is taking full advantage of GenAI.

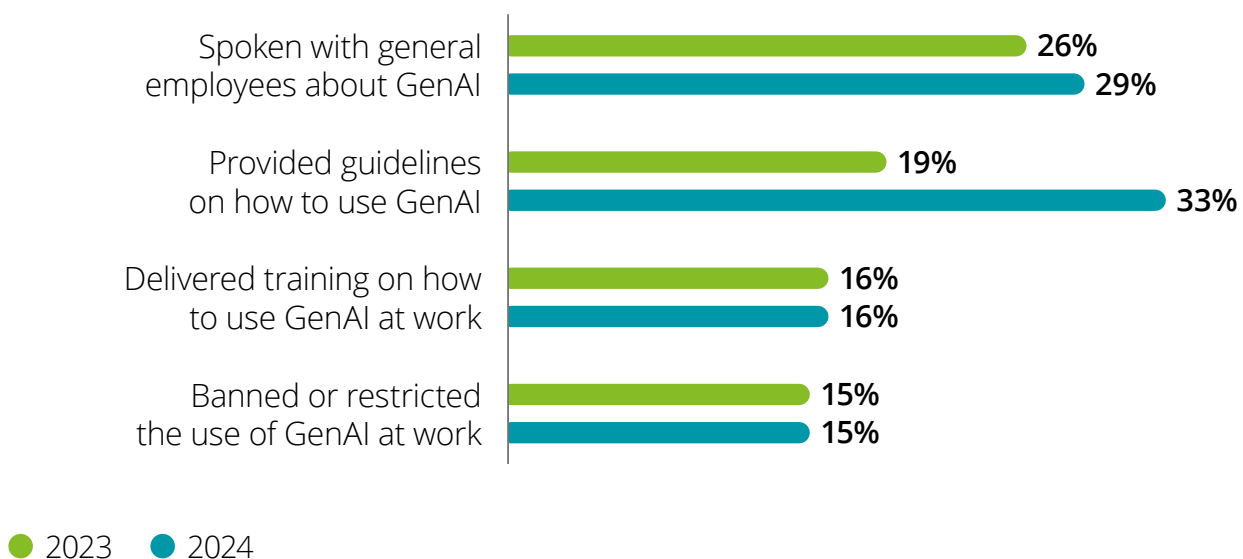
20%
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full advantage of GenAI

Some businesses have taken a knee-jerk reaction to the emergence of GenAI, with 15% of employees across Australia working in a business that bans or restricts the use of GenAI (unchanged from 2023, see Figure 4). However, banning or restricting GenAI has been found to be ineffective and can, in some cases, increase GenAI use by employees.

The most common action to address the emergence of GenAI remains speaking with employees (increasing from 26% in 2023 to 29% in 2024) and/or provided guidelines on how to use GenAI at work (19% to 33%). However, there has been no change in businesses delivering training on GenAI or banning the use of GenAI. Training related to GenAI use has been found to increase worker productivity and improve working conditions for employees.²

There is also a role for businesses in informing employees of how they can adopt GenAI through identifying use cases. Currently, only one third (34%) of employees believe their business has identified use cases and many lack an understanding of the extent to which GenAI can be used in their role. A recent Deloitte Access Economics survey found that **three quarters (73%)** of employees who haven't used GenAI don't believe it is relevant to their role.³ However, research suggests that AI will impact **86% of all occupations across Australia and impact 25% of all working time across the economy.**⁴

Figure 4: There is more businesses could do to facilitate the adoption of GenAI



Source: Deloitte GenAI surveys (2023 and 2024)

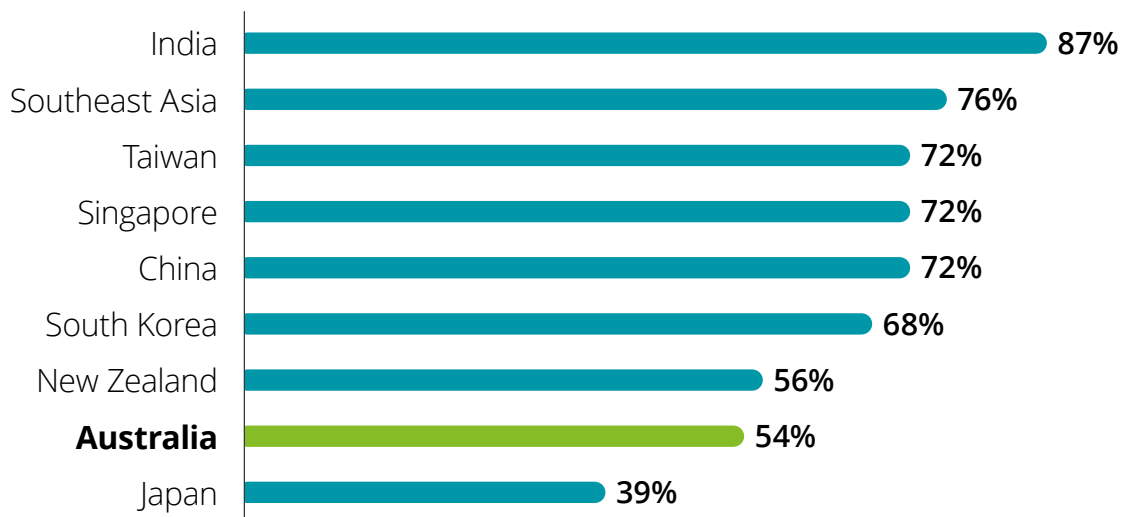


AI will impact
86%
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Australia is lagging behind other countries in Asia-Pacific

Australia has the second lowest share of GenAI users (including employees and students for use at work, study, or personal purposes) of Asia Pacific locations surveyed – **54% compared to an Asia Pacific average of 67%**. In fact, developing locations, such as China, India, and Indonesia, Malaysia, Philippines, Thailand, and Vietnam, have a 30% higher share of GenAI users than developed locations (including Australia Japan, Taiwan, Singapore, South Korea, and New Zealand).⁵ This adoption gap partially reflects that these locations have more ‘digitally native’ people as a percentage of their total populations. In fact, **nearly half (46%)** of those surveyed in India were aged between 18 and 35 years old, compared to **34% of Australians** surveyed.

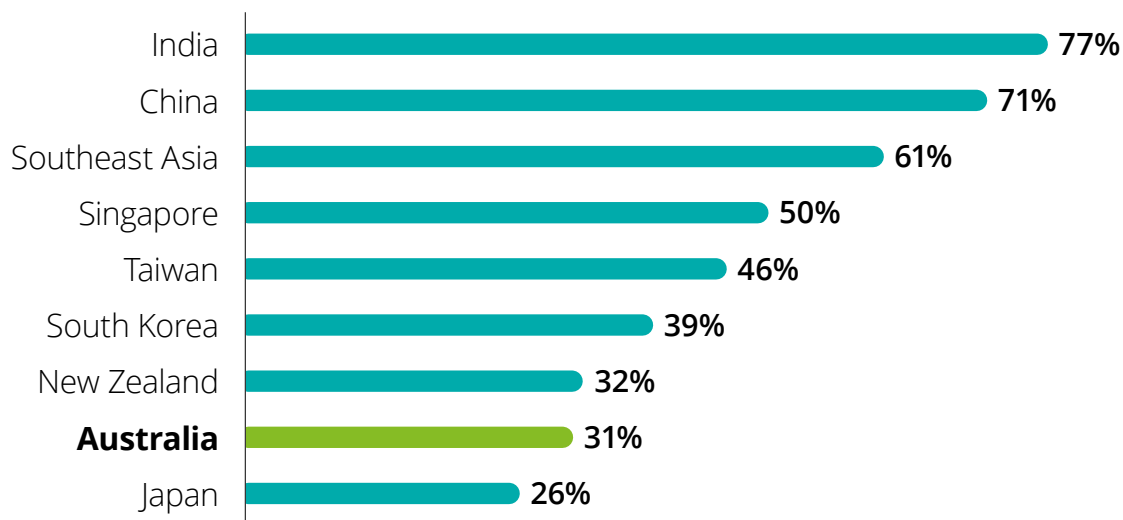
Figure 5: Australia has the second lowest share of GenAI users of Asia Pacific locations surveyed



Source: Deloitte GenAI survey (2024)

Australian employees and students are also less likely to be acting in response to the rapid emergence of GenAI, compared to other Asia Pacific locations. Actions taken include researching the basics of GenAI, advancing programming skills, collaborating with others about the technology and undertaking formal study. **Only 31%** of Australians have begun to prepare, compared to an average of 49% across Asia Pacific and 71% in China specifically.

Figure 6: Australians are less likely than other Asia Pacific locations to have taken action in response to GenAI



Source: Deloitte GenAI survey (2024)

GenAI is going to have the largest disruption to professional and managerial roles.⁶ Australia, as a country with a high proportion of its workforce in these roles (39% of total workforce), will be extremely susceptible to short-term disruption by GenAI.⁷ As such, Australia must take urgent action to close its GenAI gap relative to the rest of Asia Pacific.

Australian businesses should action three 'no-regret' moves

The rise of GenAI means that business leaders and employees both need to think strategically and act proactively to respond to the rapidly changing environment. So, what are the critical steps business leaders can take now? Based on the analysis of our findings, three moves with high-impact potential stood out:

1

Develop and implement a GenAI strategy

that focuses on your businesses' core value areas. The strategy should outline how AI can help boost the competitive advantage of your business and include plans to engage employees (e.g., through providing guidelines) and invest in the technology (e.g., by purchasing bespoke AI products).

2

Empower your employees to own their AI journey. This could involve delivering short training sessions with practical examples, leveraging expertise from trusted partners, and encouraging greater collaboration between employees using the technology – for example, through a competition or showcase. Maintaining competitive advantage will require businesses to proactively upskill their employees, rather than waiting for education providers to catch up.

3

Develop your data infrastructure and data governance iteratively as needed to embrace generative AI. This may include improvements to the quality of structured data through data cleaning, as well as the establishment of a key governance framework for managing risks.

To find out more

about GenAI adoption across the Asia Pacific, [click here](#) →

Endnotes

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Contact us



John O'Mahony

Partner, Deloitte Access Economics

joomahony@deloitte.com.au



Kellie Nuttall

Partner, Consulting Strategy & AI

knuttall@deloitte.com.au



Nick Hull

Associate Director, Deloitte Access Economics

nhull@deloitte.com.au



Erica Dodd

Senior Manager, Consulting Strategy & AI

edodd@deloitte.com.au



Vonnie Herbert

Senior Analyst, Deloitte Access Economics

vherbert@deloitte.com.au



Katie McGregor

Analyst, Deloitte Access Economics

kmcgregor@deloitte.com.au



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