Human Technology
Institute

INSIGHT SUMMARY

Disconnected AI: the unmet expectations of consumers and workers

March 2025

TLDR: Australian consumers and workers have clear expectations around AI use. But most do not trust organisations to meet them

This insight summary outlines critical takeaways for corporate leaders regarding the use of AI systems, based on research by the UTS Human Technology Institute and Essential Media. It explores the attitudes, concerns and expectations of Australian consumers and workers towards the use of AI by organisations.

In this insight summary, references to 'Australian consumers and workers' refers to respondents who participated in our quantitative and qualitative research. For details on our research methodology, see Section 4.

1

Many Australians have a low understanding of how AI systems work. Yet, consumers and workers are experts in how AI impacts them. They can provide valuable insights into the use and development of AI systems.

Organisations are missing out on significant value by not deeply engaging with consumers and workers to gain access to their insights and build trust with these stakeholders.

Organisations that purse AI for AI's sake, without considering their stakeholders, risk the rise of 'so-so automation', which delivers minimal productivity gains and increases worker and consumer dissatisfaction.

2

Consumers and workers see the many benefits AI offers, including faster, higher quality and more efficient processes.

However, they have significant concerns about its increasing adoption, particularly in terms of the impact on their privacy and the collection and misuse of their personal information.

Workers are also concerned about the impact of AI on their jobs. Most feel that AI is being imposed on them without meaningful consultation or deeper forms of engagement. Whilst there are mixed fears of job displacement, many are worried about the dehumanizing and deskilling effects of this technology.

3

In relation to the adoption of AI systems, consumers and workers want:

- Accountability
- Transparency
- Redress mechanisms
- Deep engagement
- Quality training for workers.

However, many Australians do not trust organisations and their corporate leaders to deliver these.

By implementing the Australian Government's Voluntary AI Safety Standard (AI Safety Standard), organisations can address these concerns and more.

Insight Summary: Outline

Part 1:
Insights for corporate leaders

Why does it matter what consumers and workers want?

- You are missing out on significant value
- You risk ‘so-so automation’
- You will be held accountable.

What do consumers and workers want from organisations using AI?

- Accountability
- Transparency
- Redress mechanisms
- Deep engagement
- Quality training for workers.

Part 2:
How do consumers and workers feel about AI?

How do consumers and workers feel about AI?

They generally have a low understanding and awareness of AI, but have significant concerns about the increasing adoption of AI. Consumers are worried and workers feel disempowered.

What do consumers and workers like about AI?

Consumers see lower prices, faster processes and fewer mistakes as important benefits.

Workers recognise the ability of AI to streamline processes, reduce costs, enhance the consumer experience and improve job satisfaction.

What worries customers and workers about AI?

Consumers have significant concerns regarding the impact of AI systems on their privacy and the collection and misuse of their personal information.

Marginalised consumers reported a lower understanding and use of AI, but greater concerns about its use.

Many workers do not trust organisations to use AI in their interests. They have significant concerns in relation to their privacy, protection of their data, and workplace surveillance. They are also worried about the impact of AI on their jobs.

Part 3:
What do consumers and workers want when organisations are using AI?

Consumers and workers want:

- Accountability
- Transparency
- Redress mechanisms
- Deep engagement
- Quality training for workers.

Organisations can meet the demands and address the concerns of consumers and workers by applying the AI Safety Standard’s 10 guardrails.

Part 4:
Research Methodology

Quantitative research

HTI commissioned Essential Media to undertake a series of deliberative worker studies with nurses, retail workers, and Federal public sector workers regarding the impact of AI and automation on their work. The findings of this research are set out in our *Invisible Bystanders* report.

Qualitative research

HTI commissioned Essential Media to conduct a representative survey of the Australian public to explore current consumer expectations towards organisations using AI systems. The findings are set out in this insight summary.

01.

Insights for corporate leaders

‘I absolutely believe that there is that potential - but we aren’t quite there yet that we can safely rely on the systems and assume they are correct.’

Public sector worker participant,
***Invisible Bystanders* report**

Why does it matter what consumers and workers want?

You are missing out on significant value

By not engaging with these stakeholders, organisations are failing to capitalise on the expertise of their workers and build consumer trust.

Our research found that when workers are meaningfully engaged regarding the development and adoption of AI systems, they can identify various ethical, legal and practical issues regarding the use of the technology in their workplace.

Currently, the adoption of AI and automation is happening to workers, rather than with them. Consultation processes are often a 'box-ticking exercise', rather than deep engagement or co-design processes. Yet, when organisations do not listen to the insights and concerns of workers, they create barriers to the successful adoption of new technologies.

Consumers predominantly have negative feelings towards the increasing adoption of AI. Most do not trust companies and their executives to use AI responsibly. By engaging with consumers to understand their expectations, organisations can gain their trust, which may result in increased business growth.

You risk 'so-so automation'

Before adopting AI, organisations should carefully consider why they doing it and its impact on stakeholders, especially consumers and workers.

AI does not automatically result in increased productivity or improved customer experience. As economists Daron Acemoglu and Simon Johnson point out, '[w]hen humans are not as useless as sometimes presumed, and intelligent machines are not as intelligent as typically assumed, we get 'so-so automation'– all of the displacement and little of the promised productivity gains.'

'So-so automation' can arise when automation is being used to shift labour costs onto consumers, such as the use of automated-checkouts in supermarkets. But the costs saved and productivity gains can be minimal, particularly if the technology is error-prone or does not work well. This can result in worse experiences for both consumers and workers.

You will be held accountable by consumers

When things go wrong, you cannot just blame the algorithm. If consumers are harmed by an AI system, they are most likely to hold the directors, executives, and managers of the companies who deployed the AI systems responsible for the harms. They are less likely to hold employees in that company responsible, or the people or company that developed the AI system.

What do consumers and workers want from organisations using AI?

Accountability

The use of AI systems can cause harm to individuals. If an AI system causes harm, consumers will hold organisations deploying the AI system accountable. Accountability is a foundational component of AI governance. It is the first guardrail in the AI Safety Standard and the first essential element in *A Director's Guide to AI Governance* (AICD & HTI, 2024).

Transparency

Consumers and workers want to know when AI is being used. Transparency is a fundamental principle of ethical AI (see *Australia's AI Ethics Principles)*. The Australian Government has confirmed the importance of transparency in Guardrail 6 of the AI Safety Standard. Organisations should act now to create transparency about their use of AI to meet current stakeholder demands.

Redress mechanisms

If a consumer is impacted by a decision made by an AI system, they expect there to be processes in place that allow them to receive reasons for decisions made by AI systems, and review and challenge those decisions. Contestability is a key principle of ethical AI (see *Australia's AI Ethics Principles*), which is reflected in Guardrail 7 of the AI Safety Standard.

Deep engagement

Organisations need to deeply engage with stakeholders at multiple points during the AI lifecycle. Engaging with consumers and workers regarding the development, adoption and use of AI in your organisation is critical to effective AI governance. By listening to the insights of consumers and workers, organisations can better respond to their concerns, build trust, and improve AI systems. For practical information on undertaking stakeholder engagement, see Guardrail 10 of the AI Safety Standard and *A Director's Guide to AI Governance*.

Quality training for workers

The quality of training for workers on AI tools varies widely between workplaces. Some workers only receive online video modules without any processes to ensure that the content is absorbed and understood. Workers also want more experimentation time to become confident in the use of the new AI systems.

Workers are also often trained only on how to use the system, and not how the system operates. They are unclear as to how it makes decisions and its limitations. Yet, consumers expect that they will be provided with reasons when they are affected by an AI decision. When AI systems go wrong and staff are unable to help customers, customers are left frustrated.

For insights into training, see HTI's *AI Governance Snapshot: People, Skills and Culture for Effective Governance*.

02.

How do consumers and workers feel about AI?

‘The technology is incredible. I have some reservations though – I am not convinced the people that are building it actually understand how it works. And that concerns me…’

Nurse participant,
***Invisible Bystanders* report**

Consumers and workers have a limited understanding of AI but have significant concerns about its adoption

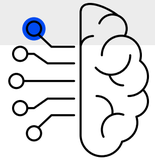
Australians generally have a low understanding of how and when AI is being used, which aligns with previous research.

Consumers:

- Less than one in five consumers (18%) feel they have a high level of understanding of AI and how it is being used by organisations.
- Almost one in three consumers (32%) have used an AI enabled system without knowing it.

Workers:

- Most workers have not given much thought to how AI and automation are present in their workplace.
- Most workers do not have a clear understanding of what constitutes AI. When asked about AI, many described traditional programs or types of technology.



1 in 5 consumers

feel they have a high level of understanding of AI and how it is being used by organisations

1 in 3 consumers

have used an AI enabled system without knowing it

Consumers and workers have a limited understanding of AI but have significant concerns about its adoption

(continued)

Previous research has found that Australia was the nation most nervous in the world about AI.

Our research confirms that many Australians have significant concerns about the increasing adoption of AI – consumers are worried and workers feel disempowered.

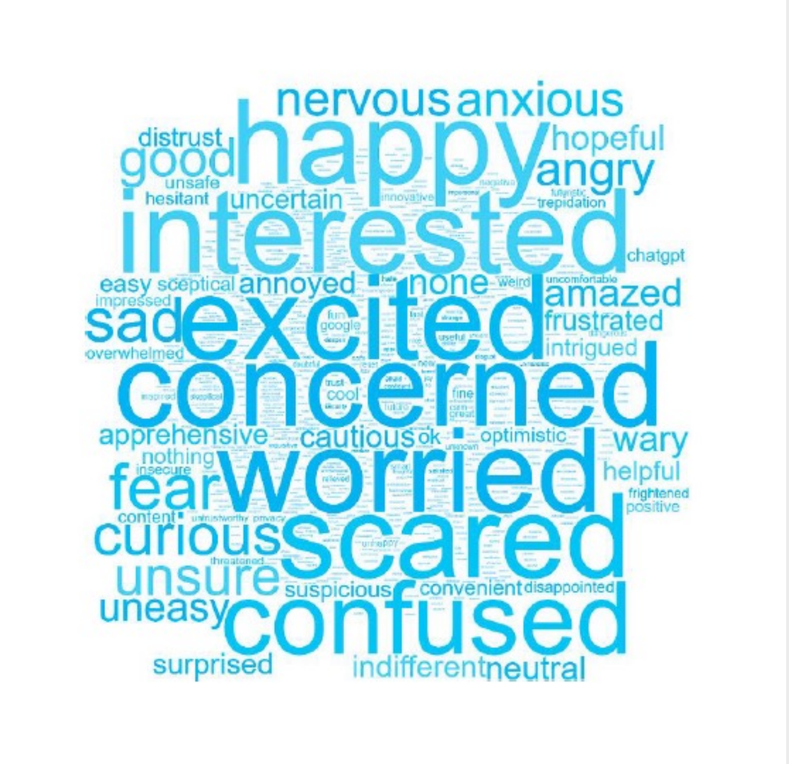
Consumers:

- Consumers predominantly express negative emotions (51% of responses) when asked how about the increasing use of AI by organisations (Figure 1).
- About 1 in 5 consumers (22%) have mixed feelings about the increased use of AI systems, listing both positive and negative emotions when asked how they feel about this.

Workers:

- Many workers feel like AI is being imposed on them and their customers. They feel that there was little to no transparency for when and how AI is being used.
- Most workers feel that AI will change the way they work. In our research, nurses and Australian public servants did not see AI as a threat to their job security, whilst retail workers did.

Figure 1. Word cloud of consumer responses to question: *When thinking about AI systems increasingly being used by organisations, what emotions do you feel?*



Consumers and workers recognise the many benefits that AI systems can offer

Previous research indicates around half of all Australians believe the benefits of AI outweigh the risks. Our research found that whilst consumers and workers have concerns about AI, they also see its potential benefits.

Consumers:

The most important benefits of AI to consumers are:

- lower prices (49%)
- faster processes (47%)
- fewer mistakes (43%).

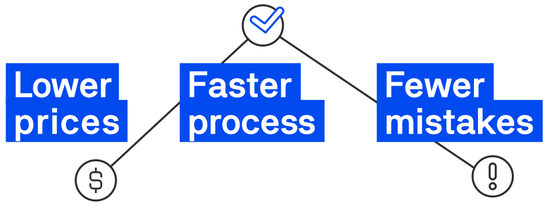
Less important benefits of AI for consumers are:

- new products or services (16%)
- fairer treatment (20%)
- more personalised products and services (22%).

Workers:

- Workers see the use of AI and automation as providing significant benefits where it is used to enhance human decision-making or performance (rather than simply to replace workers).
- Workers highlight many potential benefits of AI, including streamlining processes, reducing costs, enhancing the consumer experience, improving job satisfaction by reducing or eliminating mundane tasks, and improving staff and consumer safety.

For consumers the most important benefits of AI:



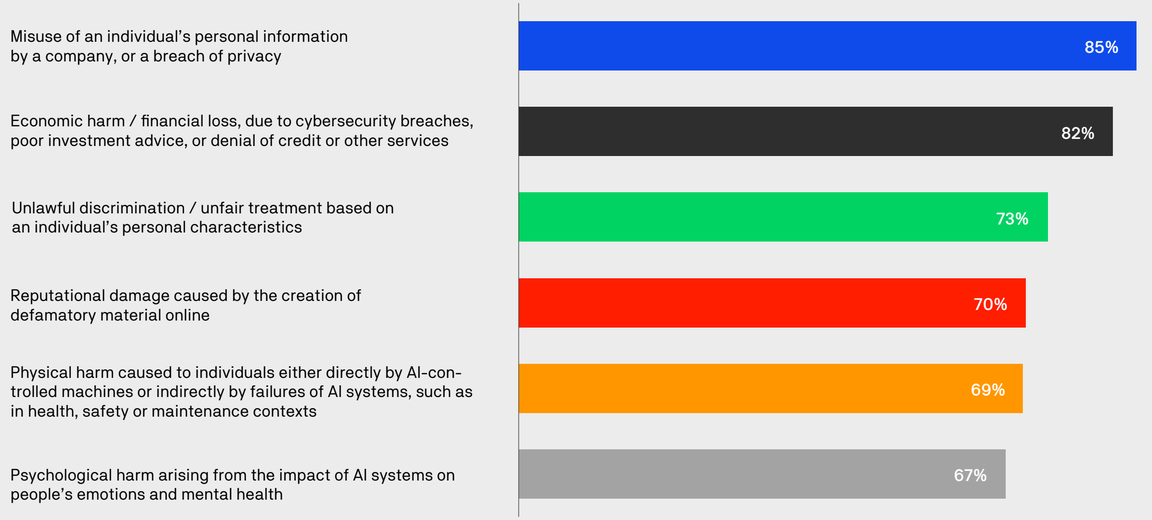
For workers AI provides significant benefits where it is used to:

Consumers are most concerned about the impact of AI systems on their privacy

Harms of AI systems

- Consumers have high levels of concern for a wide range of potential harms of AI systems (Figure 2).
- The most common concern for consumers (85%) is the misuse of their personal information by a company, or a breach of privacy. Previous research has similarly found that data privacy was most important to AI trust for Australians.
- Other significant concerns include economic harm or financial loss (82%) and unlawful discrimination (73%) caused by AI system failures.
- Almost one in three consumers (30%) are not comfortable with any type of their data being used to train AI systems.

Figure 2. Consumer responses to question: ***AI researchers have identified that the following individual harms can arise for people as a result of AI system failures. How concerned are you about each of the following harms?***



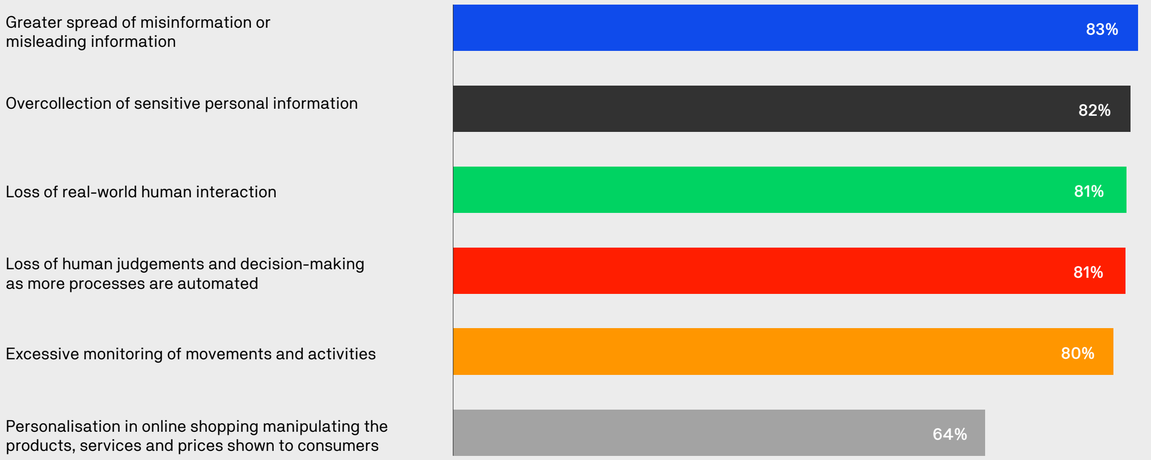
Consumers are most concerned about the impact of AI systems on their privacy

(continued)

Impact on consumer interactions

- There are high levels of concern for many potential impacts of AI on the way companies interact with consumers (Figure 3).
- The most common concern (83%) was the greater spread of misinformation or misleading information.
- Consumers also had significant concerns with privacy impacts, including the overcollection of sensitive personal information (82%), and excessive monitoring of movements and activities (82%)
- Consumers were also concerned with the potential loss of human interaction (81%) and human decision-making (81%).

Figure 3. Consumer responses to question: ***AI is changing the way companies interact with consumers. How concerned are you about the following potential impacts of AI?***

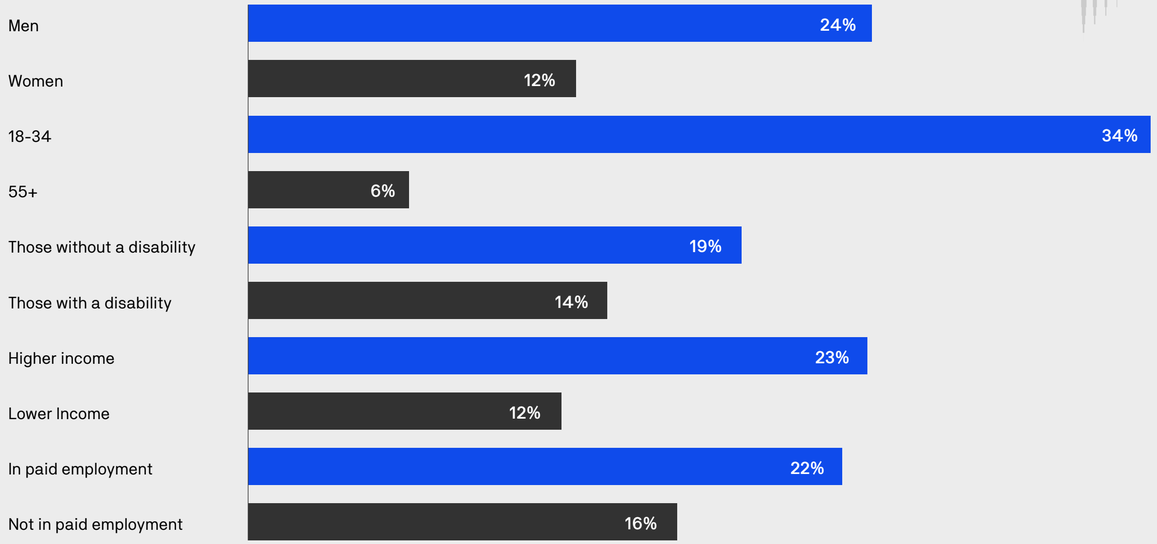


Marginalised consumers reported a lower understanding and use of AI but greater concerns about its use

Understanding and use of AI

Women, people aged 55 and over, people with a disability, lower income earners, and people not in paid employment reported having a lower level of understanding of AI and how it is being used by organisations. They are also less likely to be aware of when they used AI.

Figure 4. Consumers who responded 'High' to question: *Which of the following best describes your level of understanding of what Artificial Intelligence (AI) is and how it is being used by organisations today?*



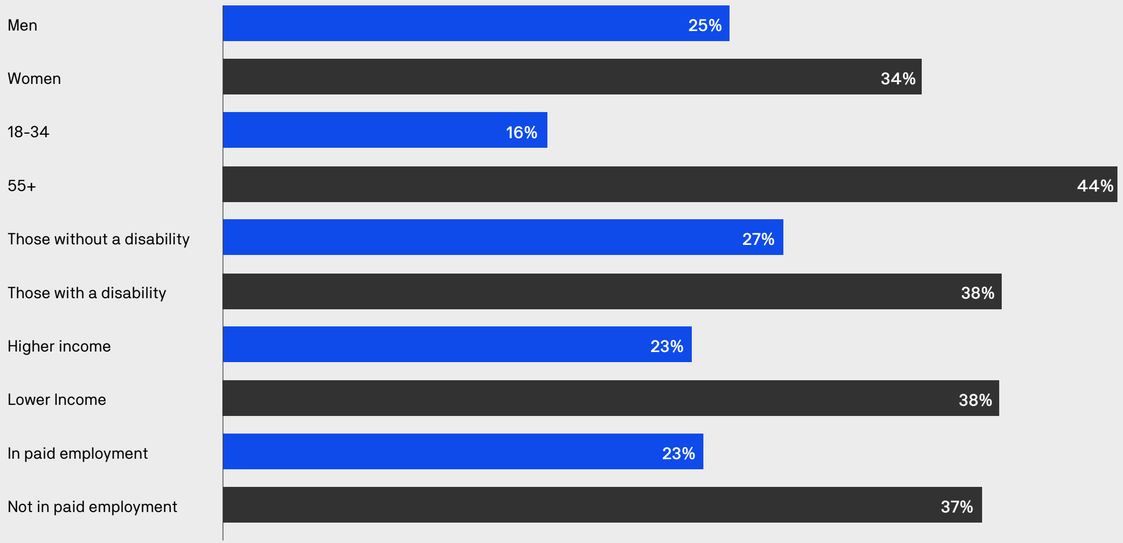
Marginalised consumers reported a lower understanding and use of AI but greater concerns about its use

(continued)

Concerns

- Marginalised consumers are:
  - more concerned about potential individual and societal harms caused by AI
  - less comfortable with their data being used to train AI systems
  - more likely to expect to be told by an organisation when AI is being used
  - more likely to see transparency of AI as important
  - less confident that CEOs and company directors would use AI responsibly.
- Aboriginal or Torres Strait Islander individuals or individuals from a non-English speaking background were more concerned about the impact on AI on inequality and oppression of marginalised groups.

Figure 5. Consumers who responded 'None of these' to question: ***What types of data about you are you comfortable with a company using to train AI systems?***



Workers are not against AI. But they are worried about AI's impact on their jobs and rights.

Impact of AI adoption on jobs

- Workers are not 'luddities'. They understand that organisations are increasingly adopting AI and are not inherently opposed to it.
- Retail workers believe there is a high chance that AI will cause mass job displacements in their industry.
- Whilst nurses and Australian public servants do not see an immediate threat to their job security from AI, they are concerned that an increased dependance on AI may lead people with different skill-sets and characteristics to join their industry.
- Workers fear that the increased use of AI will dehumanise work patterns and the workforce.
- When AI systems are introduced, it is not easy to implement changes or fix problems. Workers often learn how to 'work around the system', rather than working with an AI system.

Concerns and fears about AI

- Concerns around privacy and data breaches were top of mind for many workers.
- Most workers feel deeply uncomfortable with workplace surveillance. There are very low levels of confidence that these would be used in the interest of workers.
- Workers are concerned about relying on decisions made in a 'black box', particularly as AI systems can be highly susceptible to biases.
- When AI systems do not work properly, workers can be left to deal with angry consumers.
- Negative experiences with AI can lead to a loss of trust and reputational damage for the company deploying the AI system.

03.

What do consumers and workers want from organisations using AI?

‘We’re not going to try to hold back the tide. There’s no point, this is happening, we’re more focused on, how do we harness the good aspects of this and regulate those aspects that aren’t positive.’

Retail worker participant,
***Invisible Bystanders* report**

Accountability

Consumers and workers want accountability from organisations using AI, particularly for any harms caused by AI systems.

HTI's previous research found that there is little awareness of amongst corporate leaders of where, how and why AI systems are being used in their organisations.

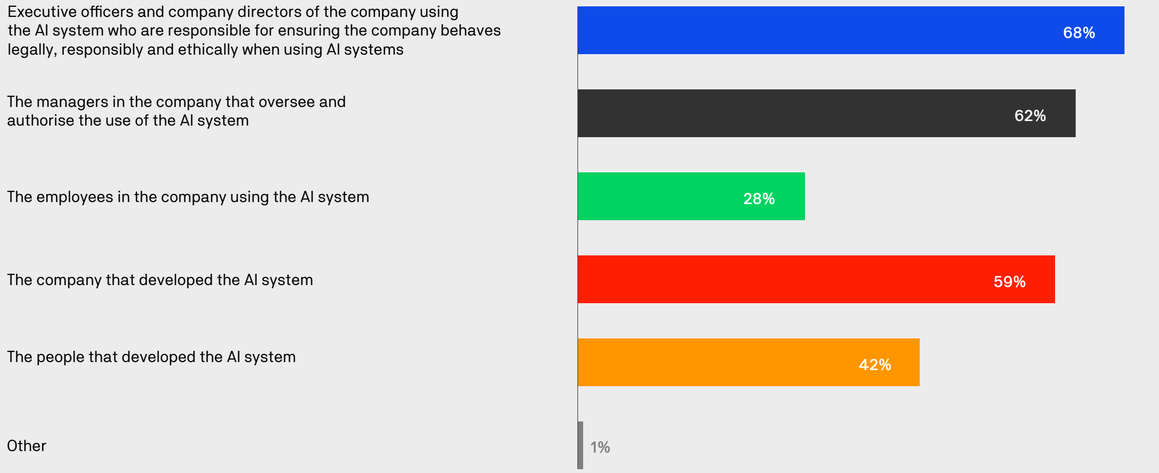
Yet, effective AI governance requires organisations to clearly identify which individual or body at the board and management level has decision-making power and accountability for AI systems.

This is a foundational step and is Guardrail 1 in the AI Safety Standard, which asks organisations to 'establish, implement and publish an accountability process including governance, internal capability and a strategy for regulatory compliance.'

Consumers are most likely to hold directors, senior executives and managers of the company using an AI-system accountable for any harms. They are less likely to hold employees in that company responsible, or the people or company that developed the AI system itself.

Workers are highly concerned about accountability and liability for AI systems. They want clarity on who is accountable if they rely on AI systems and things go wrong. They want clear guidance and regulation for such situations.

Figure 6. Consumer responses to question: ***Who do consumers think should be responsible for harms caused by an AI-system?***



Transparency

Consumers and workers expect transparency around AI system use. They want to be told when organisations are using AI systems.

Our research found that most consumers and workers have limited insights into, and awareness, around when and how AI systems are being used.

Consumers expect greater transparency around the use of AI. They expect to be informed when AI is being used in a wide of range of different use cases (Figure 5) and industries (Figure 6). However, only one in three consumers are confident that CEOs and directors:

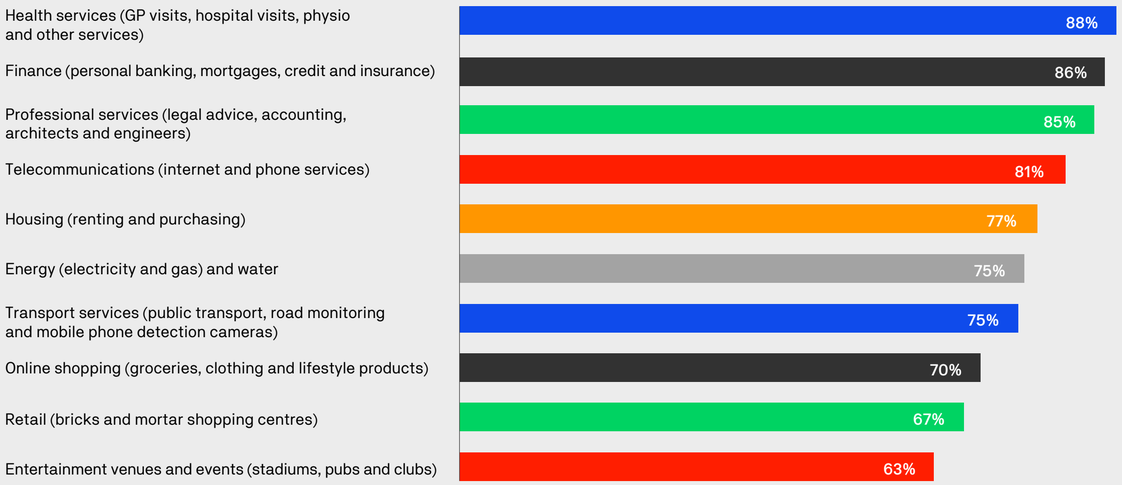
- will ensure that their companies will be transparent when AI is being used (33%)
- will keep their personal data secure (33%)
- not misuse their personal data for the company's benefit (29%).

Figure 5. Percentage of Yes responses by consumers to question: *In which of the following circumstances, would you expect to be told when a company is using an AI system to deliver a product or service to you?*

Transparency

(continued)

Figure 5. Percentage of Yes responses by consumers to question: ***In which of the following circumstances, would you expect to be told when a company is using an AI system to deliver a product or service to you?***



Workers similarly believe that the use of AI should be clearly communicated to consumers and workers. Some workers said to us that there should be more transparency around AI use and that organisations should be obtaining consent where personal data is being collected, stored and used.

These expectations align with Guardrail 6 of the AI Safety Standard, which states that organisations should 'inform end-users regarding AI-enabled decisions, interactions with AI and AI-generated content.'

Redress mechanisms

To meet the expectations of consumers and workers, organisation should provide consumers with opportunities to request reasons for and challenge decisions made by AI systems.

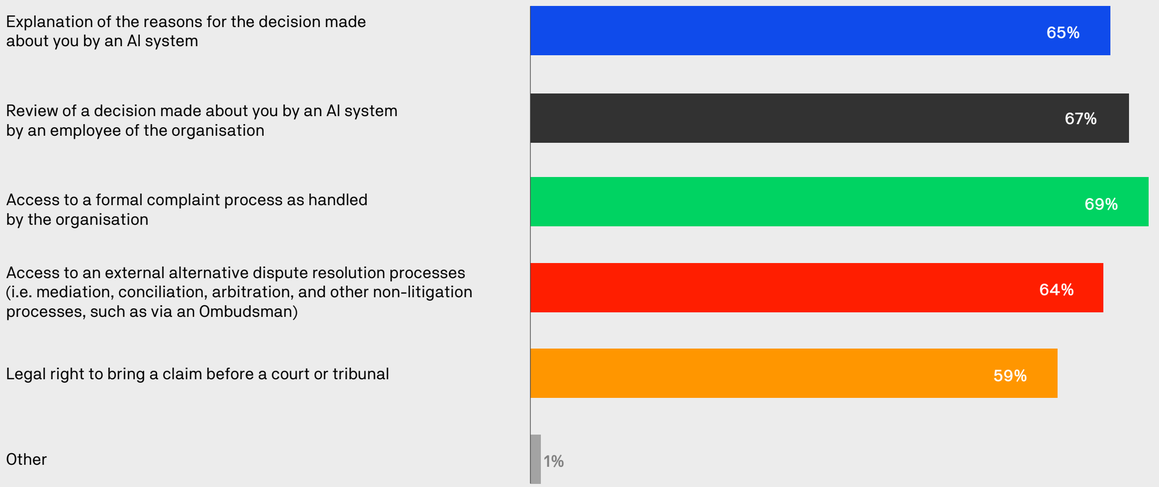
This is in line with Guardrail 7 of the AI Safety Standard, which states that organisations should establish processes for people impacted by AI systems to challenge their use or outcomes.

Consumers expect a range of supports to be available to them when they are impacted by an AI systems, including being provided with reasons, and avenues to review and challenge AI-supported decisions.

Workers highlighted the risks of relying on 'black box' decisions and not being able to explain how a decision was made. Workers said that they wanted to see human oversight of AI decision-making processes to check the outputs and override faulty decisions.

By allowing consumers an opportunity to request reasons and challenge decisions, organisations will be able to gather information on problems or issues with an AI system. It provides them with a chance to identify and fix these problems, and remediate any harms caused by the AI system.

Figure 7. Consumers responses to the question: ***If you were harmed, inconvenienced by or disagreed with the outcome of an organisation's use of an AI system, which support would you expect to be available to you?***



Deep engagement

Deep engagement gathers insights from a diverse group of representative stakeholders and involves them in the decision-making process.

The deepest form of engagement is co-creation with stakeholders as partners in the development and implementation of systems. Unlike traditional forms of engagement, where feedback is given but no meaningful action is taken in response, deep engagement is more than just 'lip service' and serves to build the trust of stakeholders.

Workers have a clear sense of the ethical 'red lines' of and possess unique insights into their daily tasks and their roles. Their 'front-line' experience means they can help organisations to develop and improve AI systems. However, uncovering these insights requires deep engagement or co-design through the development and testing stages. AI systems that are driven by workers who will interact with these new systems first-hand everyday through deep engagement or co-design is more likely to deliver productivity benefits.

Consumers currently have low levels of awareness and understanding of AI systems. They have significant concerns and broadly do not trust organisations to act responsibly when deploying AI. In order to address these concerns, build trust, and meet consumer expectations, organisations need to more deeply engage with their consumers on AI.

As stated in Guardrail 10 of the AI Safety Standard, '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.'

Quality training for workers

Quality training is important for workers to support them to successfully adopt AI systems and deliver better experiences for customers.

In Guardrail 1, the AI Safety Standard asks organisations to commit to embedding responsible AI training and workplace practices to provide people accountable or responsible for AI system performance with sufficient competence to perform their role. As highlighted in our research, quality training is needed to ensure that workers are upskilled to the appropriate level of competence.

There is huge variety in terms of the quality of training being provided to workers regarding AI. Training is often cursory, with online video modules the most common 'teaching' tool. Training generally focuses on how to use the system, but not how it operates.

Consumers expect to be provided with reasons when they are affected by an AI decision. However, given the complexity and opacity of the underlying systems, workers are left unable to explain the reasons for an AI decision, particularly when something goes wrong. Quality training would help workers respond better to these situations, and reduce consumer and worker frustration.

Workers repeatedly emphasised the value of providing quality, in-depth training and information, particularly where AI systems are complex, involve sensitive data, or raise privacy concerns. Such training ultimately helps workers better understand, use and successfully adopt new AI systems. Several workers said they are not given enough time to experiment and practise to feel confident in their use of new systems.

How can organisations use AI systems safely and responsibly?

Organisations can implement the 10 Guardrails in the AI Safety Standard.

1. Establish, implement and publish an accountability process including governance, internal capability and a strategy for regulatory compliance.	Guardrail 1 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.
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 in the lifecycle of an AI system or model to effectively address risks.	Organisations must provide information to other organisations downstream in the AI supply chain so they can: ▪ understand the components of the AI system ▪ 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.

04.

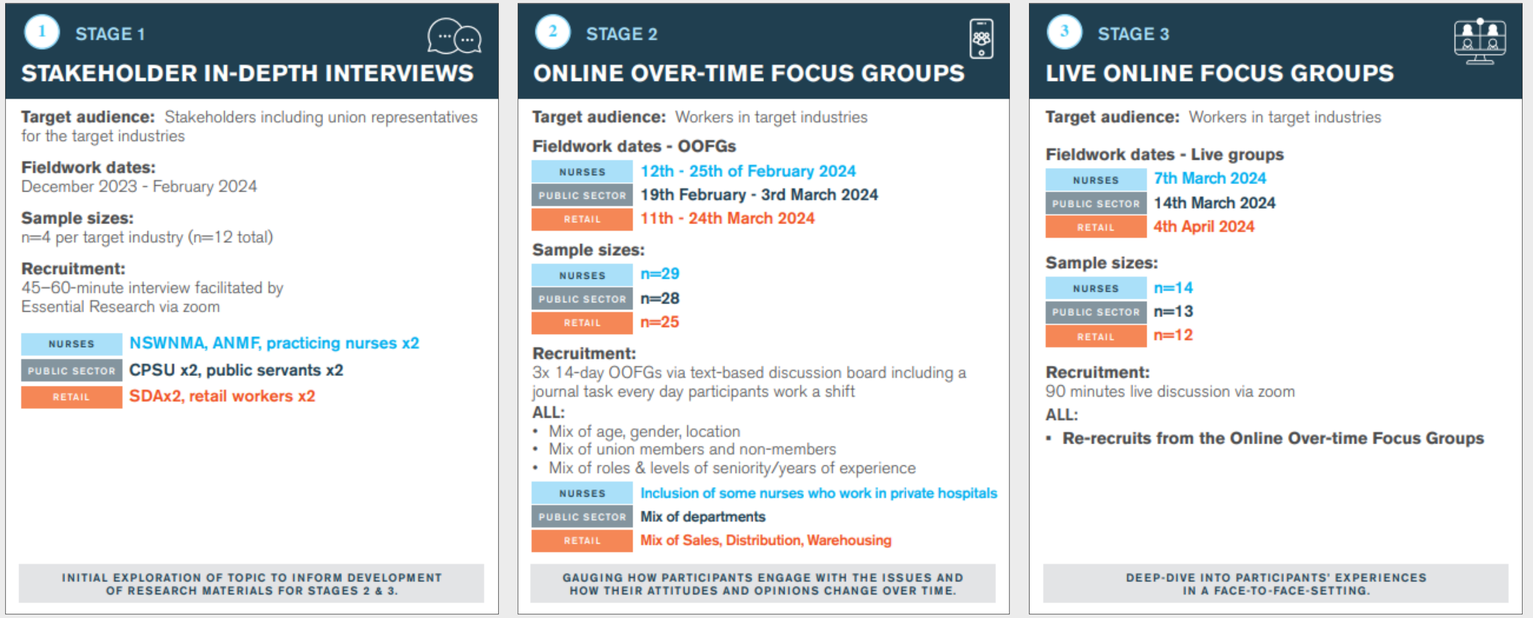
Research Methodology

Quantitative research: workers

HTI commissioned Essential Media to undertake a series of deliberative worker studies with nurses, retail workers, and Federal public sector workers regarding the impact of AI and automation on their work

Methodology overview

For the detailed methodology and the full version of the report, see Invisible Bystanders.

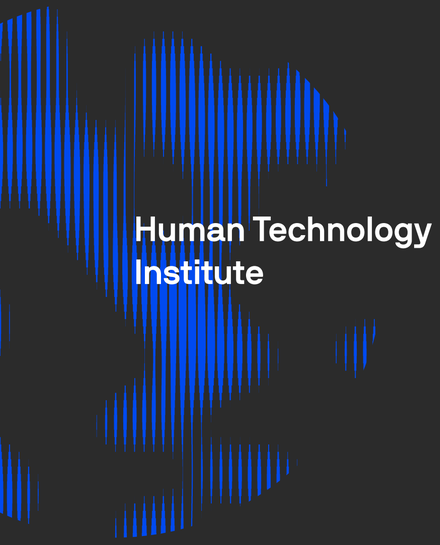


Quantitative research: consumers

HTI commissioned Essential Media to conduct a representative survey of the Australian public to explore current consumer expectations towards organisations using AI systems.

Methodology overview

- The target population was all Australian residents aged 18+. Respondents were invited through a research platform to complete the survey online without an interviewer present and incentives were offered for participation.
- The survey was conducted online from 5 to 7 April 2024 and is based on n=2,073 respondents. Quotas were applied to be representative of the target population by gender, age and location.
- RIM weighting was applied to the data using information sourced from the Australian Bureau of Statistics. The factors used in the weighting were gender, age and location.
- The weighting efficiency applied to the results at a national level is 99%, which gives an effective sample size of 2,062. The maximal margin of error at this effective sample size is ±2.2% (95% confidence level).



Human Technology Institute

The UTS Human Technology Institute (HTI) is an impact-oriented institute building human values into new technologies. Bringing together policy, legal and technical experts, HTI provides independent expert advice, policy development, capability building, and data science solutions to support government, industry and civil society.

The AI Corporate Governance Program is an initiative of the HTI. Its aim is to broaden understanding of corporate accountability and governance in the use of AI. HTI's AI Corporate Governance Program is supported by philanthropic partner, Minderoo Foundation, and project advisory partners KPMG, Gilbert+Tobin and Atlassian.

For more information on HTI's AI Corporate Governance Program, please contact:

Llewellyn Spink, AI Corporate Governance Specialist
llewellyn.spink@uts.edu.au

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