

The impact of AI on small businesses:

2025 AI adoption pulse report

Australia



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Foreword

Message from Al Brown, BrightHR Director of AI

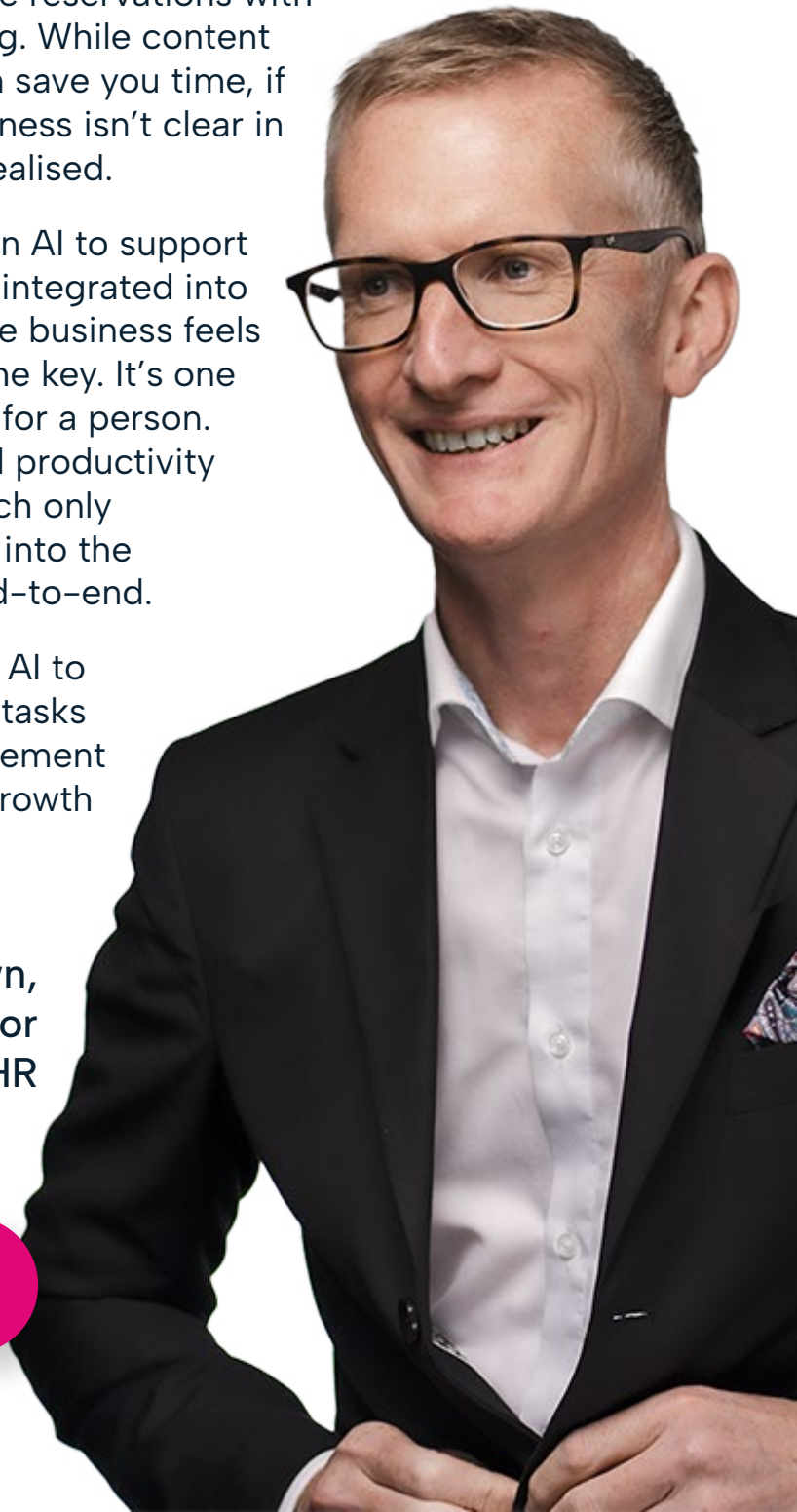
It's only natural that business owners are cautiously optimistic about the surge in AI technology transforming how we search, engage and operate as both consumers and organisations

For example, **74%** in Australia say they are positive about adopting AI in the workplace but have reservations with the risks involved. This isn't surprising. While content creation and automation of tasks can save you time, if the return on investment for the business isn't clear in advance, then the benefit won't be realised.

At BrightHR, we're investing heavily in AI to support task automation. However, it's firmly integrated into our HR software workflows so that the business feels the benefit not just the user. That's the key. It's one thing to use AI to save time in a task for a person. It's another thing to drive operational productivity and performance improvements which only comes if the AI tooling is embedded into the software and business processes end-to-end.

Our vision is to harness the power of AI to support both the user in time saving tasks and the manager with people management improvements to support business growth through efficiency gains.

Alastair Brown,
Global AI and Technology Director
at BrightHR



Watch the video



About the research

Every year, BrightHR's parent company, the Peninsula Group, conducts a global survey to analyse attitudes to technology in the workplace.

The survey went to **79,000** clients across Australia, Canada, Ireland, New Zealand and the UK to better understand trends around AI.

This report focuses on the responses from companies based in Australia.

Businesses of all size and across all industries shared their thoughts on adopting AI. Those that have been using AI also fed back on how it has changed their workplace.

As AI evolves, we can see how attitudes towards its adoption and its risks are changing compared to previous years.



How a business owner can use this report

As a business owner, you can use this report to understand the wider sentiment around AI adoption from businesses in a similar position to your own. It will also illustrate how sentiment has changed in the past year.

This report will help you to understand how other businesses are using AI. We have surveyed businesses to understand in which functions they are using AI and what their future plans are.

You can get a **snapshot of the key stats** or get an overall narrative of the results in the **executive summary**. For more details, we've given a complete analysis of the data in the **survey findings**.

Considering the results, we've also offered **recommendations for business owners** that are either thinking of, or starting to adopt AI, particularly when it comes to the HR aspect.



Executive summary

AI is transforming businesses, and with the acceleration of technological change, the sentiment towards AI adoption is also changing—positively.

In Australia, **74%** of businesses say their sentiment is positive towards the adoption of AI, which has risen from **32%** in 2024. While **49%** of businesses said they were planning to use AI in 2024, this picture has also changed. Now, **66%** of businesses either have plans to bring in AI, or have already started.

Of those that have implemented AI in their workplace, already **38%** are saying that they have seen a positive measurable impact on their business.

With this positivity, results show that AI is being adopted across all areas of business, with the top areas being marketing (**24%**), customer service & operations (**23%**), finance and back office (**13%**), and IT and R&D (**13%**).

Risk awareness

This adoption doesn't come without awareness of the risks AI poses. Businesses say they are concerned about cyber security (**79%**), intellectual property risk (**79%**) and legal and compliance risks (**71%**).

Interestingly, although positive sentiment towards AI and increased adoption is clear in the results, businesses have become more concerned at the risk AI poses when compared to last year. For example, **50%** said they were concerned with cyber security and the use of AI in 2024, versus **79%** in 2025. This isn't a surprise: as more businesses are in progress of or making plans for adoption, understanding of the risks involved is clearly becoming more important. This will force businesses to be more critical of AI use and ensure AI is adopted effectively but also securely.

People remain integral

Based on the surge in AI adoption, public opinion holds that businesses will replace people headcount with AI. While this notion is prevalent, the results tell a different story. Although **18%** replaced headcount with AI, this number was lower than forecasted last year, when **25%** said AI would reduce headcount.

In 2024, **47%** of businesses said they wouldn't be reducing headcount as people are integral to their business. Fast forward a year and this sentiment has adjusted, with **57%** now saying people are integral.

It's clear that businesses are on a transformation journey. However, as they are adopting AI technology, the sentiment towards the impact on people is also shifting. AI is clearly here to stay and the question of its impact on people will take time to truly understand.

What these findings demonstrate, however, is that the need for people to make use of AI is growing. It will naturally have an impact on the skills required across different roles and functions.



At a glance

Sentiment

What’s the business sentiment to AI adoption?

74% positive

^ up from 32% in 2024

19% negative

How many have plans to adopt AI?

66% are using or have plans to

^ up from 49% in 2024

26% have no plans to adopt AI—will this change?

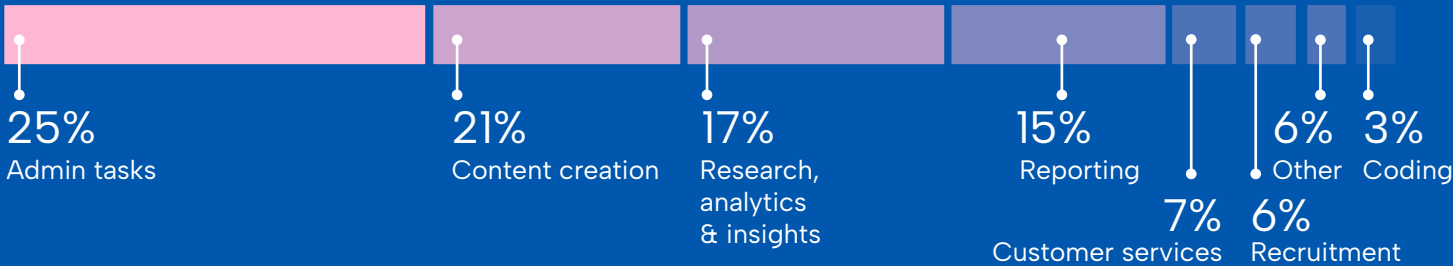
Adoption

38% of business who have adopted AI have seen a positive measurable impact.

What areas is AI being adopted in?

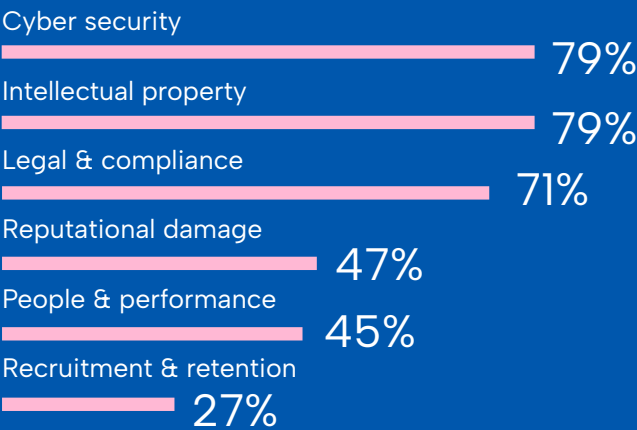


How is AI helping?



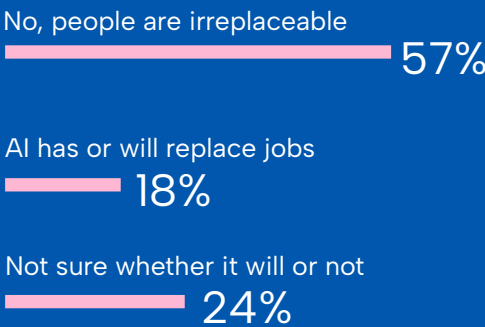
Risks

What risks are businesses concerned about?



Are jobs at risk?

Figures have been rounded to the nearest whole number



Survey findings

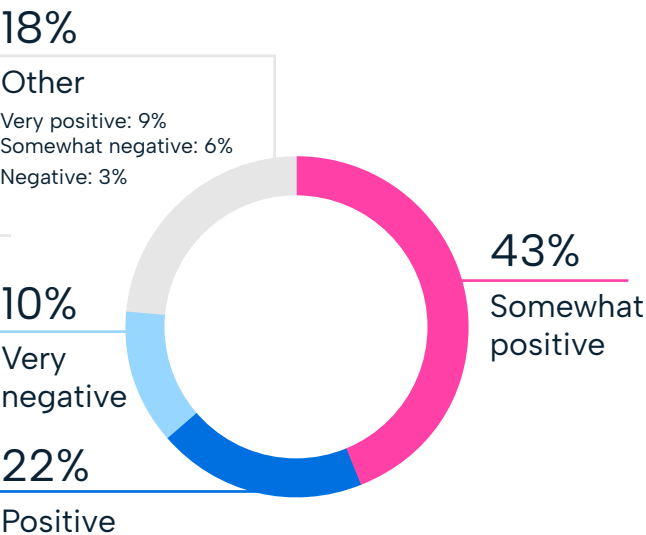
Business sentiment is positive

Businesses are largely positive towards the use of AI: **74%** of business owners and leaders are positive towards the use of AI. This is up from only **32%** in 2024.

31% are positive to very positive and **43%** somewhat positive – this overall positive business sentiment towards the use of AI is a marker of the rapid transformation that AI is having on businesses of all sizes.

It’s important to note that **19%** said their business sentiment was negative towards the use of AI, with the remaining **7%** unsure.

Which statement best describes your business sentiment towards the use of AI?



Positivity turned into action

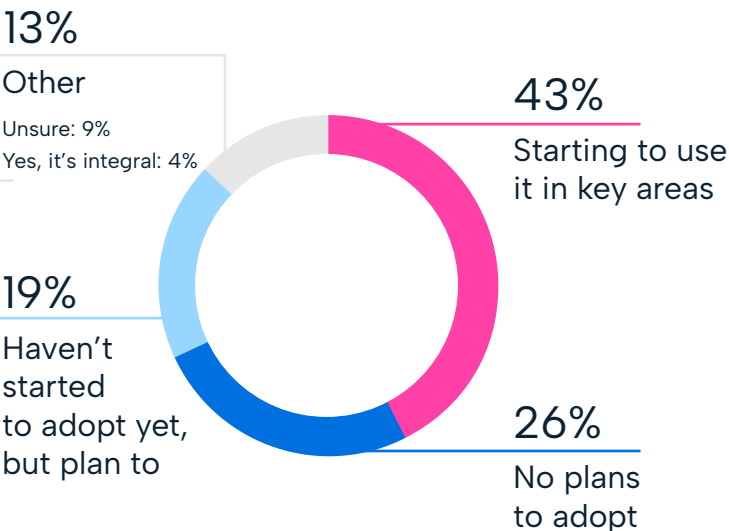
AI is being adopted in the workplace by a majority of businesses: **66%** of businesses have plans to adopt AI or are using it already in the workplace. This is an increase from 2024, when **49%** said they were using AI.

Of those who are using AI now, **4%** say it’s integral to their business today—a slight increase from just **1%** in 2024. **43%** of that majority is starting to adopt, while **19%** say they haven’t started yet but have plans to.

26% of the businesses surveyed have no plans to adopt AI. But the question here is will this adversity to adopt change in the coming months? Only time will tell.

The final **9%** surveyed say they are unsure at this time—another one to watch.

Has your business adopted AI in the workplace?



Numbers have been rounded to the nearest whole number

Positive sentiment
2025: **74%**
2024: **32%**

Using AI in the Workplace
2025: **66%**
2024: **49%**

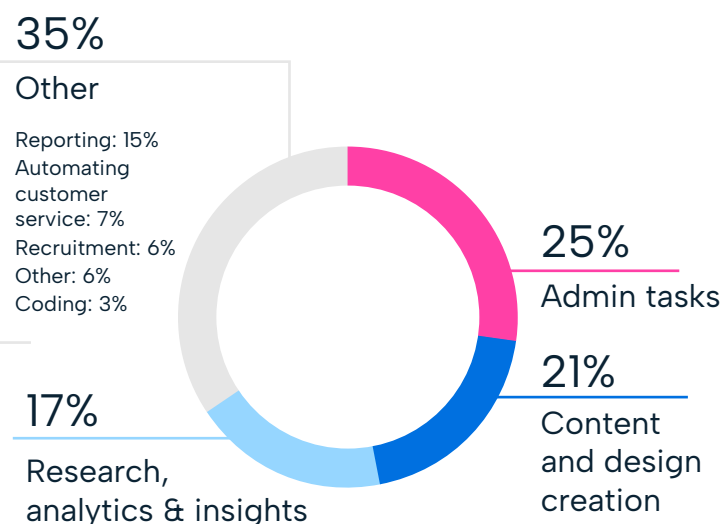


AI is changing business operations, not offerings (yet)

Within these business areas, AI is being used for a wide scope of tasks. The top 3 AI uses are administrative tasks at **25%**, content & design creation at **21%**, and research, analytics & insights at **17%**.

But that's not all. Businesses are also using AI to help with their reporting needs (**15%**), automating customer service (**7%**), recruitment (**6%**), and even coding (**3%**).

What functional areas in your business are using AI?



Numbers have been rounded to the nearest whole number

While businesses are turning to AI to improve their operations and people tasks, this isn't the case when it comes to the products and services they provide to clients.

Of the businesses surveyed, **77%** say they have no plans to adopt AI as part of their own customer-facing product or service offering.

As of today, just **3%** of businesses say they're building AI functionality into their proposition and **4%** say they're investing in external products and tools to support their products and services. And **16%** are unsure at present.

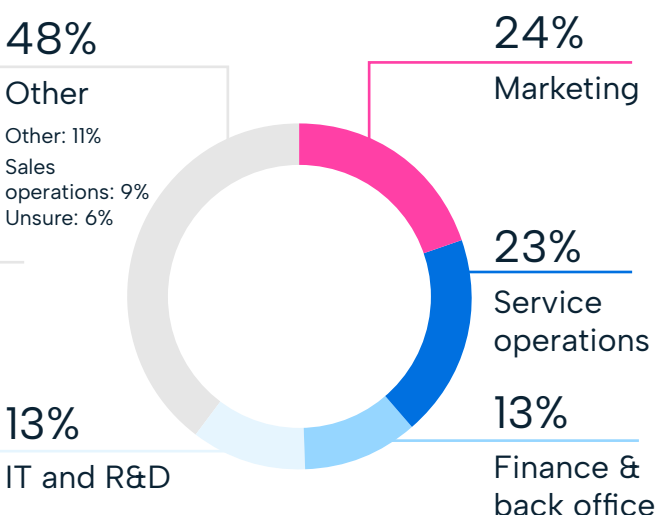
AI adoption across all business areas

Businesses have adopted AI across almost all functional areas, showing signs of business transformation across the board. The top 4 areas where AI is being adopted today are marketing, service operations, finance and back office, and IT and research & development.

24% of businesses are using AI in their marketing departments this year, an actual decrease from **27%** in 2024. However, there is an increase of AI in service operations, which has risen to **23%** in 2025, up from just **6%** in 2024. And **13%** of businesses are using AI in both their IT and research & development (**12%** in 2024) and finance and back office operations (**2%** in 2024).

AI is being used even more widely, however: **9%** in sales operations, and **11%** in other areas such as office administration.

What functional areas in your business are using AI?

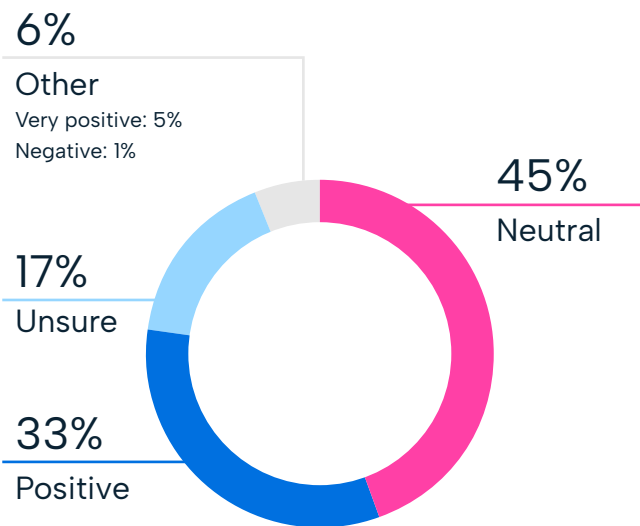


Business adoption turning into measurable impact

Out of the businesses that have implemented AI, **38%** say there has been a positive measurable impact on their business.

A further **45%** say the impact has been “neutral”. This might mean it’s too soon to get a real measure. Just **1%** say they have seen a negative impact, and **17%** are unsure of the impact to date.

Has there been a measurable impact from the use of AI in your business?



Numbers have been rounded to the nearest whole number

Businesses are more conscious of AI risks

Despite all the positivity, businesses are growing more concerned about the risks of AI adoption when we compare to responses from last year.

The biggest concern is cyber security, with **79%** of businesses in 2025 showing concern, up from **50%** in 2024. The numbers remain high when it comes to intellectual property, with **79%** showing concern, compared to **40%** in 2024. Another big jump when it comes to legal & compliance risks, with **71%** businesses concerned this year, up from **21%** in 2024.

Other concerns include reputational damage, with **47%** of businesses keeping this in mind now. **45%** of businesses said people & performance risks, while **27%** said recruitment & retention were risks.

What risks do you believe AI poses to businesses?

Cyber security



Intellectual property



Legal & compliance



Reputational damage



People & performance



Recruitment & retention



Impact on jobs less than what was forecasted

While some businesses are reducing headcount as they adopt AI, this is less than what they predicted in 2024.

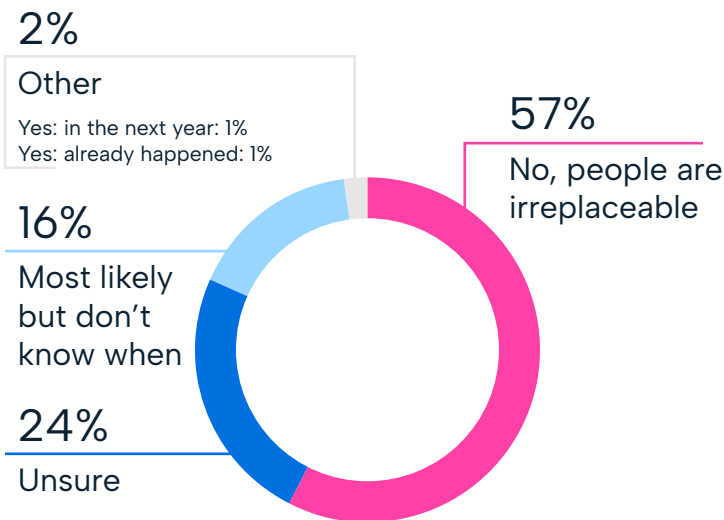
This year, **18%** of businesses are in the process of or will be replacing certain roles with AI. Of those, **2%** say that yes they already have or will in the next year, while **15%** are unsure of when exactly it will happen. An additional **24%** of businesses said they are unsure of whether AI will replace roles.

In 2024, only **3%** said that yes they are replacing roles with AI, and **22%** said that they will be doing at some point, making the total **25%**.

Interestingly, last year **47%** of businesses said that they wouldn't be reducing headcount as people are irreplaceable—this year, that's increased to **57%**.

Will AI reduce the number of people who are employed at your company?

Numbers have been rounded to the nearest whole number



Recommendations

Inspired by how businesses are using AI? Whether you're with those that are already adopting, or you're only just considering it, we've got a few recommendations for business owners.

The power of AI is when embedded in workflows

If you're looking into using AI, consider the use cases related to external channels like ChatGPT compared to products and software. The real benefits of AI are seen when it's embedded into workflows that drive operational efficiencies—think time and cost savings.

At BrightHR, we've recently added AI-powered suggestion features to our performance management goals and recruitment tools. This is a great example of saving time on tasks, but the real benefit is that it links to the people workflows.

Cyber security must be taken seriously—and ensure your policies are up to date

When any new technology or tool is introduced, cyber security needs to be a top priority. If you're looking to introduce AI into your business, you need to complete a proper data protection assessment and ensure the correct data protection protocols are in place.

From an HR perspective, we'd recommend that you:

- Keep on top of regulatory requirements
- Complete an AI inventory and assess risk levels
- Assign responsibility for AI oversight, compliance and audit procedures
- Develop AI IT and usage policies and conduct training with employees
- Plan for human oversight to review AI decisions

Without controlled adoption, you could be risking intellectual property and more. Your business could be at risk if you mishandle a disciplinary case following a data breach or misuse. You should introduce a specific AI policy that sets out acceptable use and data protection compliance to protect your business.

AI is not a qualified HR, health & safety or payroll professional

Employment legislation and health & safety regulations are not always easy to understand.

When seeking HR or health & safety advice, it's important that you consult qualified employment relations and health and safety professionals to avoid business risk. They can help you apply legislative rulings to your individual situation, something AI just isn't capable of.





Slay your HR Admin Beast

The red tape is rising across employment law, HR and health & safety, all on top of the everyday admin. This chaos is fast becoming the HR Admin Beast: a monster fuelled by endless compliance and paperwork.

It drains resources, blocks growth and eats time. **But it doesn't have to win.**

Take back control with a helping hand from BrightHR, just like the **100,000** businesses who already do. Let us handle the HR admin so you can focus on what matters most: **growing your business.**

At BrightHR, we transform people management for small business owners.

BrightHR believes in the power of small businesses and understands their importance in our local communities. That's why we support small business owners with all their people management needs and give them the tools to take their business to the next level.

BrightHR is an **end-to-end HR and healthy & safety solution** that transforms people management for small businesses. From everyday admin tasks to employment relations queries, BrightHR frees up your time by solving the real problems.

Our technology is easy to use, and our advice is clear, practical and jargon-free. And we're committed to keeping our service affordable too. Because we're here to champion small business owners and support them on their journey to a brighter future.

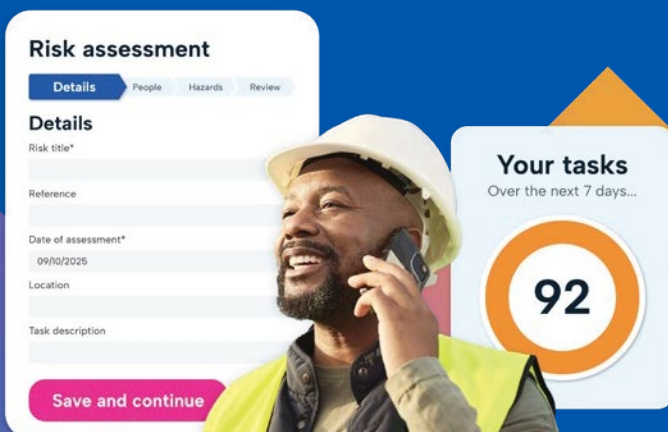


HR and health & safety solutions for small and medium businesses

Run HR like a pro with BrightHR software

Manage staff leave and rosters in one place, track sickness and absence, and set up performance reviews to track progress easily.

Not to mention our software comes with unlimited, secure storage for your employee and business documents.



A safer workplace with BrightSafe

Protect your business and staff from risks with the end-to-end health & safety management system.

- ✓ **Report accidents, incidents and near misses instantly**, no matter where you are.
- ✓ Get ahead of risks with over **400 risk assessment templates**.
- ✓ **24/7 access** to experienced health & safety consultants.



Round-the-clock HR advice from qualified experts

You can reach HR advisors 24/7 on our employer helpline.

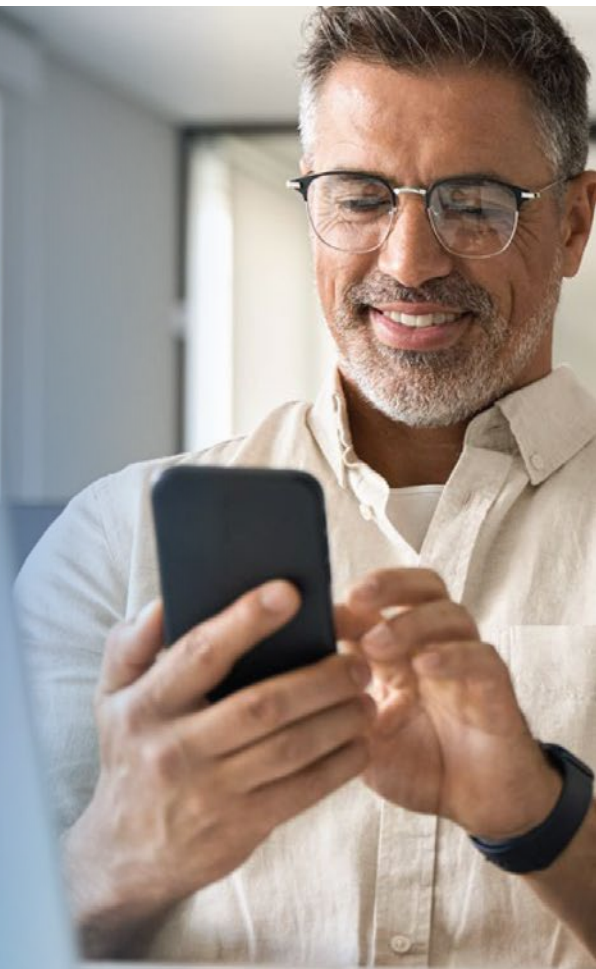
- ✓ Get **24/7** access to a team of qualified employment relations professionals to tackle changing employment law and staff issues with confidence.

See how it works for your business

Get in touch to start your free personalised demo, where we show you how to get back the hours you're losing to HR and health & safety admin each week.



Start my FREE demo





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