Companies ban AI over privacy concerns: Cisco

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More than a quarter of Australian companies have banned artificial intelligence tools in the workplace, citing privacy concerns - including the potential for corporate secrets to be shared with competitors, according to a new study.

Communications technology titan **_Cisco_** surveyed more than 2600 security and privacy professionals across 12 countries, finding businesses were unplugging the much-hyped technology - for now.

This is despite bigger businesses beginning to reap productivity gains from AI, which the Albanese government expects to inject up to $600bn a year into the national economy by 2030.

Cisco ANZ director of cybersecurity Corien Vermaak said trust remained a big obstacle to AI's widespread adoption.

Ms Vermaak said 27 per cent of Australian companies surveyed had banned the use of generative AI applications over privacy risks. Of them, 77 per cent were worried corporate information entered into AI apps could be shared publicly or with competitors, while 69 per cent were concerned it could hurt their legal or intellectual property rights.

"As we do security awareness training, we now need to focus on that narrative on AI as well," Ms Vermaak said.

"Where organisations are unsure, they've banned it. What that tells me is a lot of organisations are looking to put the controls in place, are looking to educate, message and see where they can improve their processes before allowing it. My sense would be over the next few years we will see that decreasing." While bigger companies have signed up to tailored enterprise AI products, like Microsoft's Copilot, which has guardrails built in to protect corporate data, others do not have a clear strategy, with employees at some using publicly available AI platforms, sometimes without their managers' knowledge.

"One of the examples in our framework is that when an employee uses any generative AI tool, they have to actually disclose it. And, and that's a really important thing, because it changes the perception of the receiver of that work," Ms Vermaak said.

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"There's two things that organisations and companies need to start with. That is the education part, which is critically important. And then putting in policies and frameworks to put guardrails up for when is it OK to use it.

" 'Can I use ChatGPT? Yes, you can use it for private things on your work device, but you can't use it for any work-related matters' if that is what the company's risk acceptance is." The Productivity Commission also found that low levels of public trust in AI technologies could pose a "significant barrier" to uptake. But, it said governments should act as "exemplars" to demonstrate the safe and effective uses of AI in service delivery. Collete Stallbaumer, general manager of Microsoft 365, said it was still early days and companies were moving at different speeds.

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