



## BRIEFING

### Use of Artificial Intelligence relating to the South Island Portfolio

<b>Date:</b>	5 March 2025	<b>Priority:</b>	Medium
<b>Security classification:</b>	In Confidence	<b>Tracking number:</b>	REQ-0010312

Action sought		
	Action sought	Deadline
<b>Hon James Meager</b> Minister for the South Island	<b>Note</b> the information regarding the use of AI within MBIE in relation to the South Island portfolio.	13 March 2025

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Karl Woodhead	General Manager, Strategy, Planning and Performance, Kānoa – Regional Development & Commercial services (Kānoa – RD & Commercial Services)	Privacy of natural persons	
Cory Hagenaars	South Island Lead Advisor, Strategy, Planning and Performance, Kānoa – RD & Commercial Services	Privacy of natural persons	✓

The following departments/agencies have been consulted
N/A

Minister's office to complete:

☐ Approved

☐ Declined

☐ Noted

☐ Needs change

☐ Seen

☐ Overtaken by Events

☐ See Minister's Notes

☐ Withdrawn

Comments



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### Purpose

To provide you with information regarding the use of Artificial Intelligence (AI) within the Ministry of Business, Innovation, and Employment, particularly in relation to the South Island portfolio.

### Recommended action

The Ministry of Business, Innovation and Employment (MBIE) recommends you:

- a **Note** information provided regarding the use of AI within MBIE in relation to the South Island portfolio.

*Noted*

Karl Woodhead  
**General Manager, Strategy, Planning and Performance,**  
Kānoa – RD & Commercial Services, MBIE

10 / 03 / 2025

Hon James Meager  
**Minister for the South Island**

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## Background

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1. On 3 February 2025, the Minister for Digitising Government released guidance for safe use of Artificial Intelligence (AI) in the public sector. Following this announcement, you have requested information on how Ministry of Business, Innovation, and Employment (MBIE) uses AI, particularly in relation to your South Island portfolio.
2. Responsible development and use of AI in New Zealand can help deliver better outcomes for people in New Zealand and boost productivity. It can contribute to growing economic prosperity, delivering better public services and meeting government targets, and keeping New Zealand and its people safe.
3. The Chief Digital Officer, who is responsible for leading the adaptation and use of AI in the Public Service, has also set guidance that supports the Public Service to explore generative AI (GenAI) in ways that are safe, transparent and responsible. This guidance effectively balances potential risks and benefits for AI systems and supports the responsible uptake of GenAI in government policy.<sup>1</sup>

### MBIE does not use AI

4. MBIE does not currently use AI across the organisation. However, MBIE is exploring the potential productivity benefits of using Microsoft Copilot 365 through 'proof of concept' testing with a small number of our staff. The pilot includes staff from various parts of the organisation. Members of staff were selected to test specific user cases to explore potential uses for Copilot.<sup>2</sup>
5. Copilot was chosen as it integrates with Microsoft 365 and can assist with drafting documents in Word, analysing data in Excel, creating presentations in PowerPoint, managing emails in Outlook, and transcribing and summarising meetings in Teams.
6. MBIE is also supporting New Zealand to take a strategic approach to AI. The Digital Futures Policy team is scoping an AI strategy for New Zealand and creating responsible AI guidance for businesses. Both pieces of work are being developed alongside the Department of Internal Affairs, other partners, and key AI experts across the country, including the AI Forum.

### Opportunities for South Island Portfolio

7. While MBIE's AI initiatives are not regionally specific, we expect to see improvements for businesses across the country – including businesses in the South Island.
8. Businesses across the South Island are increasingly recognising the potential for the use of AI to drive growth and innovation. This is highlighted in recent data which indicated that 82 per cent of small to medium businesses across New Zealand are adopting or actively using AI tools. This surpasses the global average of 75 per cent.<sup>3</sup>
9. The South Island has a small number of AI companies who use AI to drive regional growth and address local challenges. Some notable South Island AI companies include:
  - a. Cropsy Technologies: a Marlborough based agritech company that uses mounted AI vision systems on vehicles to monitor and analyse plant life in vineyards. This allows for industry growers to make better informed decisions, particularly around disease management, and yield variations.

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<sup>1</sup> [Government Chief Digital Officer's role in artificial intelligence \(AI\) | NZ Digital government](#)

<sup>2</sup> [Generative AI trial underway at MBIE](#)

<sup>3</sup> [New Zealand SMBs Using AI See Positive Revenue Growth](#)

- b. Collaborative Innovation Network Southland (COIN South): an innovative network based in Invercargill, which focuses on fostering growth and success for start-ups and businesses by providing mentors, experts, alumni, and coaching. COIN South collaborates with strategic partners to support the Southland business community. These partnerships include:
  - i. Southland Chamber of Commerce.
  - ii. Community Trust Southland.
  - iii. Ngāi Tahu.
  - iv. Southland Institute of Technology (SIT).
- c. AI Innovisory: a Christchurch-based consulting agency which specialises in helping businesses to understand and use AI to improve their work. AI Innovisory assists businesses in adopting an AI strategy and the automation of services through implementation of AI systems.

## Next steps

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- 10. MBIE will keep you updated on any AI policy work or cross-portfolio work programmes that may be applicable to your portfolio.