Te Kāwanatanga o Aotearoa
New Zealand Government

New Zealand's Strategy for Artificial Intelligence: Investing with confidence

Accelerating Private Sector AI Adoption and Innovation

JULY 2025

GOING FOR GROWTH

MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

Ministry of Business, Innovation and Employment (MBIE)
Hīkina Whakatutuki – Lifting to make successful

MBIE develops and delivers policy, services, advice and regulation to support economic growth and the prosperity and wellbeing of New Zealanders.

More information

Information, examples and answers to your questions about the topics covered here can be found on our website: **mbie.govt.nz**

Disclaimer

This document is a guide only. It should not be used as a substitute for legislation or legal advice. The Ministry of Business, Innovation and Employment is not responsible for the results of any actions taken on the basis of information in this document, or for any errors or omissions.

ISBN (online): 978-1-991316-78-3 **ISBN (print): 978-1-991316-79-0**
JULY 2025

Use of Artificial Intelligence in this material

MBIE has used AI to develop aspects of this Strategy in line with the Government Chief Digital Officer's *Responsible AI Guidance for the Public Service: GenAI,* including with human oversight of any generated material. AI was used for some aspects of content ideation. MBIE is a signatory of the Algorithm Charter for Aotearoa; a commitment to use algorithms in a fair, ethical, and transparent way.

Contents

Minister's Foreword

Artificial intelligence (AI) represents one of the most significant technological opportunities of our time. For New Zealand, embracing AI is not merely an option, it is essential for maintaining our competitiveness, attracting global talent, and delivering the productivity gains our economy needs to thrive.

The Government's flagship economic approach, *Going for Growth,* recognises the transformative potential of AI. This strategy outlines the Government's commitment to creating an environment where New Zealand businesses can adopt and innovate with AI technologies with confidence. We are signalling our unwavering support for private sector investment in AI. The economic potential is extraordinary; industry research suggests that adopting generative AI alone could add $76 billion to the New Zealand economy by 2038, or over 15% of our GDP (Microsoft, 2024).

Until now, New Zealand was the only OECD country that had not published an AI strategy, and most New Zealand organisations are still early in their exploration and adoption of AI. The time has come for New Zealand to get moving on AI. The Government wants local businesses to invest with confidence in this transformative technology, and so the strategic approach we have taken is deliberately focused on practical adoption rather than high-end development.

New Zealand's strength lies in being smart adopters, tailoring this powerful technology to solve our unique challenges in agriculture, healthcare, education, and beyond. We will leverage AI to enhance our existing competitive advantages whilst building the capability to create niche solutions that reflect our values and circumstances.

This strategy complements the work being undertaken by Hon Judith Collins KC, Minister for Digitising Government, who is driving adoption of AI within the public sector.

Together, these initiatives will position New Zealand as a leader in responsible AI adoption, demonstrating effective use of this transformative technology by a small, advanced economy.

The Government aims to encourage investment in AI adoption by reducing uncertainty, removing unintended and unwanted barriers to AI in legislation, and providing clear guidance on responsible AI innovation within New Zealand's existing legal framework. This strategy confirms New Zealand's adoption of the OECD's AI Principles, aligning our approach with international best practice and confirms New Zealand's commitment to innovation, transparency, and human rights.

My message to our business community is: invest with confidence in AI. The Government wants greater use of AI in business and stands ready to support your AI journey through guidance, and policies that enable rather than constrain innovation.

To our international partners: New Zealand offers a stable, forward-thinking environment for AI development and testing, backed by strong governance and a commitment to responsible innovation.

This strategy document was written with the assistance of AI. This demonstrates our commitment to 'walk the talk' on AI while maintaining appropriate safeguards for sensitive information. This reflects our commitment to transparent and responsible use of AI in government. The future is AI-powered. New Zealand is ready for it.

Hon Dr Shane Reti,
Minister of Science,
Innovation & Technology

1

Understanding AI's Unique Characteristics

Artificial Intelligence (AI) is reshaping the business landscape by enabling new forms of value creation, efficiency, and innovation. Unlike traditional software tools, AI can learn from data, adapt to new information, and generate outputs including text, images, code, and more. This makes it not just a tool for automation, but an adaptive resource for creativity, strategy, and execution.

Generative AI expands the scope of what businesses can achieve. It accelerates content creation, enhances customer engagement through personalisation at scale, and supports rapid prototyping of ideas and solutions. These capabilities reduce time-to-market, lower operational barriers, and create new revenue opportunities.

More broadly, AI enables organisations to operate with greater intelligence, helping them to make faster, more informed decisions, optimising complex systems, and uncovering patterns that drive strategic advantage. It enhances productivity not just by doing more, but by enabling better insights, better experiences, and better outcomes. As AI continues to evolve, it is becoming a foundational capability for businesses seeking to lead in a digital, data-rich economy.

OECD definitions:

- Artificial Intelligence refers to a machine-based system's ability to infer from inputs and generate outputs for explicit or implicit objectives. Different types of AI systems vary in their levels of autonomy and adaptiveness.
- Generative AI is a type of AI system that can create or generate new content such as text, images, video and music based off models and patterns detected in existing datasets.

2

Why New Zealand Needs an AI Strategy

AI is reshaping economies, industries, and societies at an unprecedented pace.

For New Zealand, the choice is clear. Either we embrace AI or risk being left behind. This strategy sets out why government support for AI is not just beneficial for our nation's prosperity – it is essential.

Government's Role in Building Confidence

The Government supports AI adoption in the private sector by creating the conditions necessary for investment and success from AI. This means reducing uncertainty with a commitment to stable policy, to proactively remove unintended and unwanted barriers to AI use, and clear regulatory guidance for businesses to harness AI with confidence.

When businesses understand the rules of the game and trust that government settings will remain stable and supportive, they are more likely to invest in AI adoption (Harris, 2025).

Government support can significantly influence private sector AI adoption. Countries with clear AI strategies and supportive policy frameworks consistently outperform those with fragmented or restrictive approaches (Denford et al., 2023). The Government's signal of support acts as a catalyst for increased social licence, encouraging not just local investment but also attracting international capital and expertise.

Transforming Industries and Enhancing Productivity

- AI offers unprecedented opportunities to enhance productivity across New Zealand's key economic sectors.
- In agriculture, AI-powered precision farming techniques can optimise crop yields, whilst also helping to reduce environmental impact.
- In healthcare, AI diagnostic tools can improve patient outcomes and administrative tools can free up busy clinicians' time to focus on patients, whilst also reducing cost.
- In education, AI tutoring systems can provide personalised learning experiences that can help to improve student achievement.
- In business, AI can process vast amounts of data to generate insights that were previously impossible; automate routine tasks that free up human workers for higher-value activities; and create entirely new products and services that generate additional revenue streams.

3

New Zealand's State of Play

A Flourishing AI Ecosystem

New Zealand has a growing AI ecosystem, with many organisations already delivering innovative and world leading solutions in both the domestic and international markets. New Zealand's leading AI peak body, the AI Forum New Zealand, has grown to over 230 member organisations, providing a collaborative platform for sharing experiences, challenges, and solutions.

The AI Forum's Aoteoroa AI Summit brings together hundreds of attendees each year, including internationally recognised thought leaders, researchers, policymakers, and innovators, to explore global best practices, facilitate knowledge sharing and showcase New Zealand's extensive AI capabilities.

Growing Adoption Rates

New Zealand's AI adoption trajectory shows promise but requires acceleration.

Larger businesses are seeing the value of AI and are investing accordingly. A 2024 Datacom survey revealed that 67% of larger New Zealand businesses now utilise some form of AI, representing a substantial increase from 48% in 2023, suggesting New Zealand is catching up rapidly (Datacom, 2024).

However, a gap is emerging with respect to Small and Medium Enterprises (SMEs); a survey undertaken by NZIER and Spark in 2024 revealed that 68% of SMEs have no plans to evaluate or invest in AI technology (Spark New Zealand, 2024), and that the depth of AI integration remains limited.

New Zealand's AI uptake currently lags comparator countries. For example, only 38% of Australian SMEs reported that they were not planning to adopt AI (Department of Industry, Science and Resources, 2025). This strategy aims to raise awareness of how AI can give New Zealand businesses a competitive edge and drive adoption across the private sector.

New Zealand firms are driving AI innovation

Tourism

NIWA has partnered with a commercial whale watching business in Kaikōura to give the best possible experience for tourists. Through AI, and with the combined power of NIWA forecasting and historical data on whale appearances, sailing predictions can be made and communicated to customers. This technology could be scaled up to other New Zealand weather-dependent tourism operators.

Indigenous Language Preservation:

- Te Hiku Media, an award-winning charitable media and technology organisation, created an AI-powered automatic speech recognition model which can transcribe te reo Māori with 92% accuracy, to global acclaim. Te Hiku Media uses this model to run Kaituhi, an automatic bilingual transcription service. Their work has inspired other indigenous communities around the world to explore using AI to preserve and share cultural knowledge.
- KIWA Digital is a globally recognised, Indigenous-owned media tech company leveraging advanced technologies to uplift and support voices from cultures around the world, bringing diverse peoples together. Rooted in Māori values of trust, respect, and kaitiakitanga, KIWA maintains strong collaborations with iwi and international Indigenous partners. KIWA's flagship "VoiceQ" AI-supported software, enables over 900 language codes, enhancing media localisation for prominent projects including Netflix hits like Squid Games and Disney's Moana. Recognising the importance of Indigenous data sovereignty, KIWA has now launched "CultureQ", a novel SaaS application that enables Indigenous groups to revitalise their language and culture at scale.

Healthcare:

- Toku was founded by Dr Ehsan Vaghefi and Dr David Squirrell in 2019. It developed AI to analyse eye exam scans, which can identify health conditions such as cardiovascular and kidney disease. Toku is used in clinical settings in New Zealand, Australia, the US, and the UK.
- Formus Labs, founded by Dr Ju Zhang and Prof. Thor Besier in 2016, developed software to make it easier for orthopaedic surgeons to plan for and execute successful operations. It created the world's first AI-automated 3D planner for joint replacement surgeries, significantly speeding up the pre-operative process by creating personalised surgical plans.
- Alimetry was established in 2019 by Prof. Greg O'Grady and Dr Armen Gharibans and is focussed on supporting clinicians in the care of patients with gastric conditions. It developed a non-invasive wearable device that measures the electrical activity produced by the gut. It then uses AI to isolate and analyse this activity to deliver useful insights to clinicians to aid in the diagnosis and treatment of patients.

Land use

Lynker Analytics uses AI to capture building outlines across New Zealand from publicly owned aerial imagery, supplying Land Information New Zealand with a national database that is open and available to all. This database influences regional and national decisions, including in the building consenting process, monitoring building and land use changes, risk modelling and locating buildings in an emergency.

Agriculture:

- Halter, founded by Waikato entrepreneur Craig Piggott, is a New Zealand based agritech company, that continues to make headlines for its innovative use of AI in transforming livestock management. Halter has carved out a niche in the agricultural sector by integrating AI with wearable technology for dairy and beef farming. Halter, with the conclusion of its latest capital raise, is now a 'unicorn' worth USD1bn.
- Aimer Farming provides farmers with an advanced pastoral AI platform and operating system, AIMER, to help optimise on farm productivity, profit, and environmental performance. Through a smartphone-based pasture measurement tool, AIMER Vision, AI is used to estimate pasture mass from 5 second videos even while offline. This smartphone technology, combined with proprietary paddock digital twins, saves farmers 3-4 hours labour each week and removes the need for expensive hardware such as plate meters, or tow behind devices. AIMER then analyses the farm's overall feed situation, and provides insights and foresight to optimise pasture use and supplement feeding, and auto generates grazing and supplement plans for each mob of cattle – something farmers had to do manually before or via complicated spreadsheets.

4

Uptake Focus: New Zealand's Strategic Approach

This strategy deliberately emphasises AI adoption and application rather than foundational AI development, reflecting both economic reality and strategic opportunity for New Zealand's context.

Economic Rationale for Adoption Focus

Foundational AI model development requires enormous capital investments, often hundreds of millions of dollars, and access to global-scale datasets that are predominantly controlled by large technology companies. The economics of AI development exhibit strong network effects and economies of scale that structurally favour larger economies and corporations.

New Zealand's competitive advantage lies not in competing with Google, OpenAI, or other foundational model developers, but in becoming sophisticated adopters who can quickly identify, adapt, and deploy AI solutions to local challenges. This approach allows New Zealand businesses to access cutting-edge AI capabilities without bearing the full cost of development whilst focusing resources on areas where we can add unique value.

Strategic Benefits of the Adoption Approach

By prioritising adoption, New Zealand can achieve several strategic objectives more effectively than through attempting foundational development. We can more rapidly realise productivity benefits across the economy without waiting for local AI development to mature.

We can develop expertise in AI governance, ethics, and application that positions us as thought leaders in responsible AI use. We can create niche applications that leverage our unique advantages such as agricultural expertise, and healthcare innovation, whilst building on global AI foundations.

Government's Enabling Role

The Government's role in this approach is to reduce barriers to adoption, provide clear regulatory guidance, build necessary capabilities, and ensure that adoption occurs responsibly.

Leveraging AI Science, Innovation and Technology Strengths

An adoption focus does not preclude New Zealand from developing AI or contributing to global AI development through research institutions, innovative applications, or specialised solutions. New Zealand already has pockets of expertise, and the Government is working to ensure that this expertise brings benefits for all New Zealanders.

5

Addressing Barriers to AI Uptake in New Zealand

Understanding and overcoming the obstacles preventing broader AI adoption is essential for unlocking the benefits that AI offers. Research and stakeholder consultation have identified several interconnected barriers for which the Government is delivering a coordinated response.

Barrier: Regulatory uncertainty

Some businesses perceive uncertainty about how existing laws apply to AI applications and what additional compliance requirements may emerge. These businesses may adopt a cautious approach to AI implementation until regulatory clarity improves.

Action: Commitment to stable and enabling policy

New Zealand is taking a light-touch and principles-based approach to AI policy. New Zealand has existing regulatory frameworks (e.g., privacy, consumer protection, human rights) which are largely principles-based and technology-neutral. These frameworks can be updated as and when needed to enable AI innovation, and to address new risks and unintended interactions with legislation. This agile approach gives clarity to businesses whilst ensuring New Zealand can respond to new technological developments.

New Zealand is a signatory to the OECD AI Principles as the foundational international framework for AI governance. These principles, agreed by 42 countries, provide comprehensive guidance for responsible AI development and deployment.

OECD AI Policy Recommendations	OECD AI Values-based Principles
1. Investing in AI research and development	**1.** Inclusive growth, sustainable development and well-being
2. Fostering an inclusive AI-enabling ecosystem	**2.** Human rights and democratic values, including fairness and privacy
3. Shaping an enabling interoperable governance and policy environment for AI	**3.** Transparency and explainability
4. Building human capacity and preparing for labour market transformation	**4.** Robustness, security and safety
5. International co-operation for trustworthy AI	**5.** Accountability

The adoption of these principles does not require additional regulatory overlay beyond existing law. Instead, it provides guidance for how existing legal frameworks should apply to AI applications.

Barrier: Perceived complexity, ethics, and risk

Businesses have raised concerns about AI technical complexity and perceive a need for AI expertise that they do not currently have. Others express concerns about privacy, security, and ethical implications of AI adoption (Datacom, 2024). Privacy concerns particularly affect businesses handling sensitive customer information, whilst security concerns focus on both data protection and the integrity of AI-driven business processes. Ethical considerations include ensuring AI systems do not perpetuate or amplify existing biases and maintaining human oversight of critical decisions.

Action: Government support to demystify AI for business

As a companion document to this Strategy, the Ministry of Business, Innovation and Employment has published *Responsible AI Guidance for Businesses.* This guidance provides advice for implementing AI whilst managing risks and meeting regulatory obligations. This guidance covers a range of AI considerations, including cybersecurity, privacy, and intellectual property that businesses can integrate into their processes and functions to get the most out of this technology.

Barrier: Lack of understanding and perceived value

A frequently cited barrier to AI adoption is insufficient understanding of AI's potential applications and benefits. One survey found that while 97% of workers had heard of AI, only 34% could clearly explain what it is (Verian, 2024). This knowledge gap is particularly pronounced among SMEs, where decision-makers may understand AI conceptually, but struggle to identify specific applications relevant to their business context.

The problem extends beyond simple awareness to questions of perceived value. Many businesses that understand AI's general capabilities remain uncertain about the return on investment for their specific circumstances. This uncertainty is compounded by media coverage that often emphasises dystopian scenarios, AI misuse, or focuses on displacement rather than augmentation of human capabilities.

Action: Publishing New Zealand's first AI Strategy

The Government is directly addressing this barrier through the development and publication of this Strategy. Exposure to AI builds workers' understanding of, and capabilities with, this technology. This Strategy aims to raise awareness and understanding of AI, to spur interest and experimentation, and ultimately lift AI capabilities across the economy.

Barrier: Lack of AI skills

New Zealand faces a shortage of AI expertise across several domains. The 2024 Datacom State of *AI Index: AI Attitudes in NZ* survey identified skills shortage as a major barrier for respondents, with 43% of non-users specifically citing lack of expertise as their main reason for not adopting AI.

The skills gap operates at multiple levels: technical specialists who can implement and maintain AI systems, managers who understand how to integrate AI into business processes, executives who can develop AI strategies aligned with business objectives, and workers who know how to use AI productively and responsibly. New Zealand's small population intensifies competition for AI talent with global markets, particularly given the mobility of highly skilled technology workers.

Action: Building kiwi capacity

New Zealand's universities are helping to build a future-ready workforce. Programmes like the University of Auckland's Software Engineering degree and Victoria University of Wellington's Master of AI offer specialised training in machine learning and AI applications. Other tertiary institutions also provide AI-related courses at various levels. Budget 2025 allocated significant funding that will support this growth: $213 million for tuition and training subsidies, $64 million for STEM and priority areas, and $111 million to support enrolments and Youth Guarantee students, helping young people transition into higher-level study or employment.

Businesses and government agencies are also investing in more immediate workforce capability. Companies like Spark NZ and Microsoft are offering training to boost AI literacy, and reports such as Datacom's *State of AI Index* help us to better understand sector-specific skills gaps. Additionally, the Ministry of Business, Innovation and Employment is supporting Business Mentors New Zealand to upskill their Mentors, and Growth Advisors from the Regional Business Partner Network, to help businesses get ready for AI. Together, Business Mentors New Zealand and the Regional Business Partner Network supports over 5,000 businesses annually across New Zealand. In the public sector, initiatives led by the Government Chief Digital Officer include AI masterclasses for leaders and foundational courses for public servants, reflecting a strong commitment to integrating AI across government operations.

CASE STUDY 1
Leading by example in the Public Service

Public Service Strategic Approach to AI

The Minister for Digitising Government, Hon Judith Collins KC, is updating the work programme to advance the use of AI in the Public Service. It will seek to further build capabilities and address risks and barriers to uptake in the Public Service, leveraging the 2025 survey on AI in the Public Service.

AI Use in in this AI strategy

MBIE officials used AI for research and drafting in the development of the AI strategy, in line with the Government Chief Digital Officer's *Responsible AI Guidance for the Public Service: GenAI,* in a manner that is safe, transparent, and human-supervised. The reason for taking this approach was to leverage the capabilities of AI whilst demonstrating the Government's commitment to practical use of this technology. The research phase employed AI to review literature, survey findings, and consider international best practice. During drafting, AI was used to generate ideas and to enhance readability. Human oversight was used throughout, with reviews and validations carried out by officials.

CASE STUDY 2
New Zealand's Approach to AI and Cultural Intellectual Property

Māori communities in New Zealand view AI with both interest and concern. While AI offers opportunities to amplify mātauranga Māori and Māori data - both considered taonga - it also raises risks of misappropriation and loss of data sovereignty, especially when cultural knowledge is used to train AI models without consent. Protecting Māori cultural IP is important not only for cultural integrity but also for national prosperity.

To address this, Te Puni Kōkiri is exploring ways to support the appropriate use of cultural IP and prevent commercial misappropriation. The Centre for Data Ethics and Innovation has published guidance regarding the use of Māori data.

In parallel, public submissions to Manatū Taonga's 2024 *Amplify* strategy highlighted the need to protect New Zealand's creative and cultural sectors from AI-related threats such as data scraping, bias reinforcement, and violations of data sovereignty. These concerns are shaping how New Zealand navigates AI's impact on intellectual property. Norms on AI and intellectual property are being formed internationally, informed by litigation and ongoing discussions in global fora. New Zealand will actively monitor international developments in this space.

6

International Collaboration and Investment

New Zealand will continue to engage in the most important global fora on AI governance to influence the responsible development of AI, working closely with partner governments, international organisations, industry, standards bodies, and academic institutions. Consistent with the OECD AI Principles, New Zealand is committed to promoting innovative and trustworthy AI, reaffirming international law, human rights, and democratic values, and ensuring it takes a multi-stakeholder approach to international AI efforts.

New Zealand will focus on international initiatives that align with national interests and are likely to have a real-world impact by improving lives, growing economies, improving global security, or protecting people from harmful or negligent AI use. The Government actively pursues international partnerships that enhance New Zealand's AI capabilities whilst attracting investment and expertise:

- **Singapore-New Zealand AI for Healthy Ageing Initiative:** This $12 million joint research programme demonstrates how international collaboration can address shared challenges whilst building local capabilities. The initiative focuses on AI solutions for neurological and mental health conditions in aging populations.
- **Digital Nations Network:** New Zealand will chair the 2027 Digital Nations meeting, which provides an opportunity to showcase AI leadership whilst learning from the world's most digitally advanced countries.

Enhancing international connectedness for AI investment and innovation

As part of its focus on economic growth and development, the Government has recently announced changes to attract more Foreign Direct Investment (FDI).

These changes include:

- **Establishing Invest New Zealand**, the Government's one-stop-shop and problem solver for investors. This entity will proactively identify high-impact opportunities including in AI, cut through red tape, and connect investors to drive growth. It is tasked with attracting FDI to drive economic growth, create high-paying jobs, and enhance New Zealand's global competitiveness.
- **Reforming the Overseas Investment Act 2005** to speed up decisions and provide more confidence to investors, while protecting New Zealand's national interests.
- Changing the **Active Investor Plus Visa** to provide a pathway for experienced, skilled investors to help grow New Zealand's economy. The changes, which took effect on 1 April 2025, are designed to make this visa more attractive by simplifying the categories and expanding the scope of acceptable investments.

Together, these initiatives position New Zealand as an attractive destination for AI investment whilst ensuring that international collaboration contributes to domestic capability building rather than creating dependency.

7

Leveraging New Zealand's Science, Innovation and Technology System

As well as focussing on adoption of AI in the public and private sectors, New Zealand will lean into its strengths in the Science, Innovation and Technology (SI&T) system with respect to AI development. New Zealand has a longstanding track record in this area; in 1996 the University of Waikato released WEKA, an open-source tool for machine learning and data mining. WEKA is still in use today, despite being one of the oldest available machine learning systems. It is referenced in over 25,000 research and science publications.

Changes to the Science, Innovation and Technology System

The Government is focussed on creating a more dynamic SI&T system that can respond to priorities, keep pace with technological advances, and help grow the economy. In January 2025, it announced the most significant reset of New Zealand's SI&T system in more than 30 years.

As part of reshaping New Zealand's Crown Research Institutes, a new advanced technology public research organisation (PRO) will be created to deliver research, capability and commercial outreach, including on AI.

This investment into advanced tech aims to boost high-tech exports and generate high value jobs. The Government has already taken the first step with a $71m investment into a new advanced technology science platform hosted by the Robinson Research Institute. This platform aims to grow New Zealand's high-tech exports based on cryogenics, superconductors, magnets and processed materials.

The Government has also announced plans to introduce a national policy for the management of IP in universities and PROs, which will help bring new technologies, including AI, to market.

Putting investments to work in science, innovation and technology

Each year, $1.2b of government funding is invested in the SI&T system. The Government is considering how to optimise these investments to deliver greater value for all New Zealanders. A range of mechanisms will provide opportunities for researchers to develop and apply AI, addressing priorities set by the Prime Minister's new Science Innovation and Technology Advisory Council, including:

- Supporting research to enable New Zealand's scientists to explore novel use cases for AI technologies applied to priority research such as biomedical sciences, quantum physics and environmental monitoring, via the Marsden Fund – New Zealand's premier fund for investigator research.
- Strengthening international collaborations to benefit New Zealand's economy, environment and society, via the Catalyst Fund, which sets AI as one of six research priority areas for the 2024-2028 period.
- Supporting businesses and other organisations to innovate, through the Research and Development Tax Incentive (RDTI), which offers a tax credit of 15% on eligible expenditure. Already, the total estimated spend of AI-related projects since 2019, based on approved RDTI projects, sits at $611m.

8

Conclusion

New Zealand stands at a pivotal moment in the global AI revolution. The evidence is becoming clear: countries that embrace AI proactively will enjoy significant competitive advantages while those that hesitate risk being left behind.

This strategy positions New Zealand to capture the extraordinary opportunities that AI presents while managing risks responsibly and maintaining our commitment to human-centred values.

The Government's comprehensive support for AI adoption is more than a policy preference – it is an economic necessity. The cost of inaction may exceed the investment required for effective AI adoption. Our approach, which focuses on practical uptake rather than foundational model development, leverages New Zealand's strengths while acknowledging where economies of scale may give larger countries an advantage in specialisation.

In this document, we have identified the barriers that are preventing AI adoption in the private sector and have committed to reduce or remove those barriers where the government has influence. Our goal is to remove barriers to AI adoption wherever possible. Ultimately, however, it is up to businesses, not government, to see the opportunity that AI presents *for them* and to invest accordingly.

Our goal is an environment where businesses can invest in AI with confidence. Our adoption of OECD AI Principles provides the ethical framework for responsible development that aligns with other OECD countries. Our commitment to update legislation and regulatory tools where new risks and unintended interactions with AI arise will ensure New Zealand law keeps pace with rapid technological advancements.

The Government aims to lead by example by using AI to improve public services whilst demonstrating responsible governance practices that the private sector can emulate. Our investment in education, research, and international partnerships provide the foundation for AI adoption in coming decades.

This strategy is the beginning not the end of New Zealand's AI journey. Success requires government, businesses, academia and civil society to work together. We encourage all stakeholders to engage actively with this AI strategy, get involved in AI events and build and contribute expertise and to identify opportunities. This will help foster the innovation and dissemination of new ideas that will put New Zealand at the forefront of this exciting new technology.

To businesses considering AI adoption: the Government stands ready to support your journey through guidance and stable policy settings that reward innovation. To international investors: New Zealand offers a sophisticated market, skilled workforce, and governance framework that makes it an ideal location for AI deployment and development. To our research community: your work on AI applications, ethics, and governance contributes directly to national prosperity and global knowledge.

The future is AI-powered. New Zealand is ready to lead in showing how a small advanced economy can harness transformative technologies for the benefit of all citizens. Together, we will build an AI ecosystem that reflects New Zealand's values, leverages our unique advantages, and delivers prosperity for generations to come.

Our commitment is clear: New Zealand will be a confident, capable, and responsible player in the global AI economy.

References

Datacom. (2024). *State of AI Index: AI attitudes in New Zealand 2024*. https://datacom.com/nz/en/solutions/experience/insights/state-of-ai-index-ai-attitudes.

Denford, J. S., Dawson, G. S., & Desouza, K. C. (2023, December 13). *A cluster analysis of national AI strategies*. Brookings. https://www.brookings.edu/articles/a-cluster-analysis-of-national-ai-strategies/.

Department of Industry, Science and Resources. (2025, June 4). *AI Adoption Tracker*. https://www.industry.gov.au/publications/ai-adoption-tracker.

Google. (2025, January 22). *AI adoption in Australia: New survey reveals increased use & belief in potential*. https://blog.google/intl/en-au/company-news/ai-adoption-in-australia-new-survey-reveals-increased-use-belief-in-potential/.

Harris, L. (2025, June 4). *Regulating artificial intelligence: U.S. and international approaches and considerations for Congress* (CRS Report No. R48555). Congressional Research Service. https://www.congress.gov/crs_external_products/R/PDF/R48555/R48555.2.pdf

Microsoft. (2024, August). *New Zealand's generative AI opportunity*. https://msftstories.thesourcemediaassets.com/sites/433/2024/08/New-Zealands-Generative-AI-Opportunity.pdf

Spark New Zealand. (2024, September 18). *68% of New Zealand's small and medium businesses have no plans to adopt AI*. Scoop. https://www.scoop.co.nz/stories/BU2409/S00285/68-of-new-zealands-small-and-medium-businesses-have-no-plans-to-adopt-ai.htm.

Verian. (2024). *Future of jobs report – Stage 2: The worker survey*. Ministry of Business, Innovation and Employment. https://www.mbie.govt.nz/assets/future-of-jobs-report-stage-2-the-worker-survey-2024-verian.pdf.

Te Kāwanatanga o Aotearoa
New Zealand Government

AOG 11770