SURVEY OF BUSINESS OPERATIONS 2026 SUMMARY REPORT

Artificial Intelligence (AI)

26 November 2026





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1. BACKGROUND, OBJECTIVES, METHODOLOGY, AND SAMPLE



Background

The **Survey of Business Operations (SOBO) 2026** is a national survey of NZ businesses, conducted to **provide a one-off, policy-relevant evidence base on business operations and performance.**

Ipsos is running this survey on behalf of the Ministry of Business, Innovation and Employment (MBIE) and Stats NZ.

This summary report highlights key findings across:

- **Section D: Artificial Intelligence (AI)**

Visit the MBIE website for more SOBO 2026 data and information.





Objectives

SOBO 2026 aims to:

1. Maintain continuity and comparability with the Business Operations Survey (BOS) by fielding core and selected questions from BOS Modules A (Business Operations) and B (Innovation)
2. Introduce new questions designed to address identified data gaps
3. Ensure international comparability by including items from established surveys, specifically for the Artificial Intelligence (AI) questions (SOBO Section D)
4. Complement results with targeted qualitative follow-ups to provide greater contextual depth on priority topics, specifically for AI (SOBO Section D)

This Summary Report aims to:

1. Provide a topline overview of key findings across SOBO Section D on AI
2. Focus on a selection of questions prioritised by MBIE and its policy teams to inform their work and provide actionable insights
3. Highlight significant differences through call-out boxes across key business groups (industry, business size, region, and AI adoption status)
4. Provide illustrative quotes from qualitative interviews and focus groups with participating businesses

These objectives were designed in collaboration with MBIE, taking into account the needs of different stakeholders.

Methodology and sample:
Quantitative survey

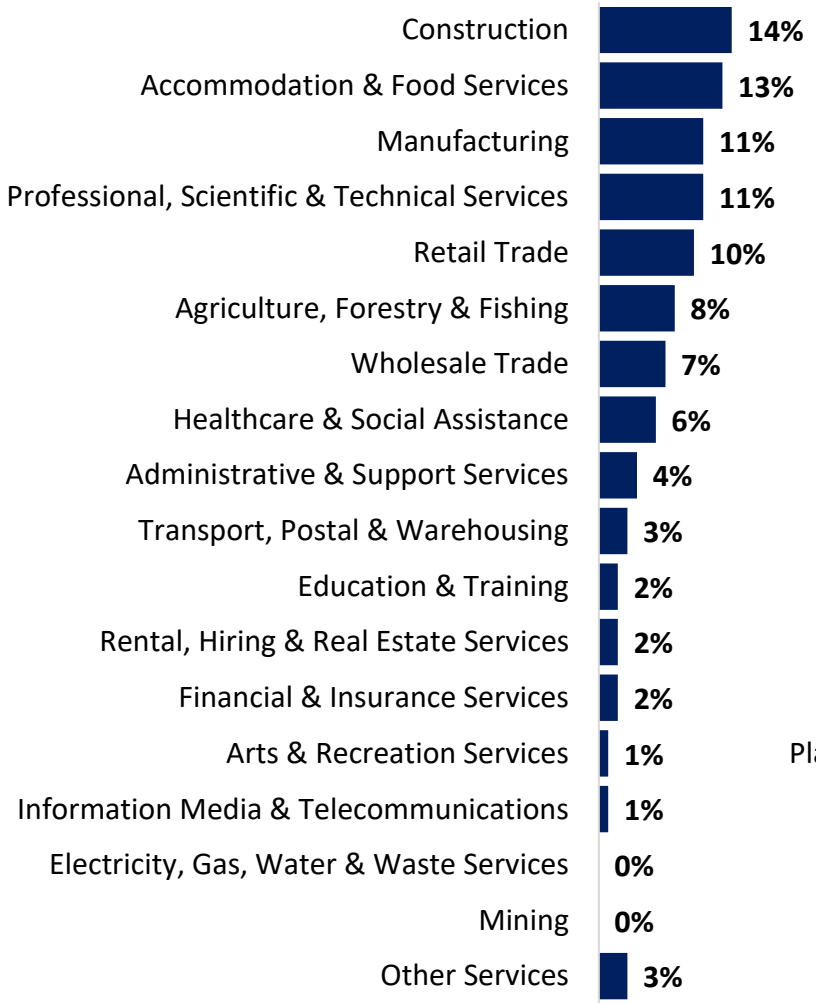
- The survey was distributed to a representative sample of 19,990 businesses with 6 or more employees, drawn from the Stats NZ Business Register. Industry and business size were used as primary sampling strata.
- The survey was conducted online during 8 June–26 July 2026. For businesses without a recorded email address, an invitation containing a QR code was sent by post. Selected businesses received an initial invitation and up to two reminders.
- To support response rates and maintain sample representativeness, targeted telephone follow-up calls were carried out with selected non-responding businesses and partial completes.
- Completed surveys were received from 9,900 NZ businesses – an approximate 49% response rate.
- The median time taken to complete Section D (AI) was 6.5 minutes.
- Data was quality checked, cleaned, and weighted to ensure the results were representative of NZ businesses by industry and business size.



SOBO 2026 demographics from weighted completed responses

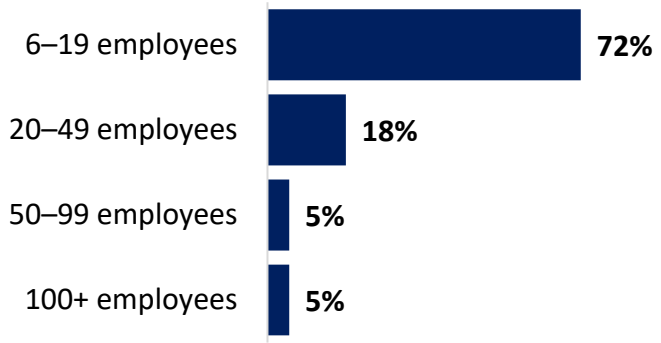


Industry



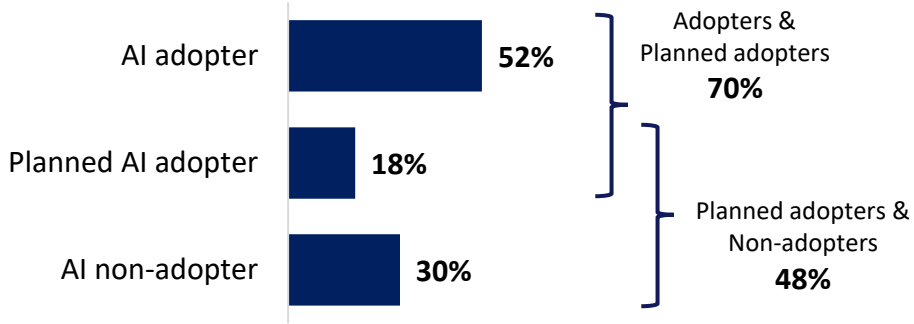


Business size



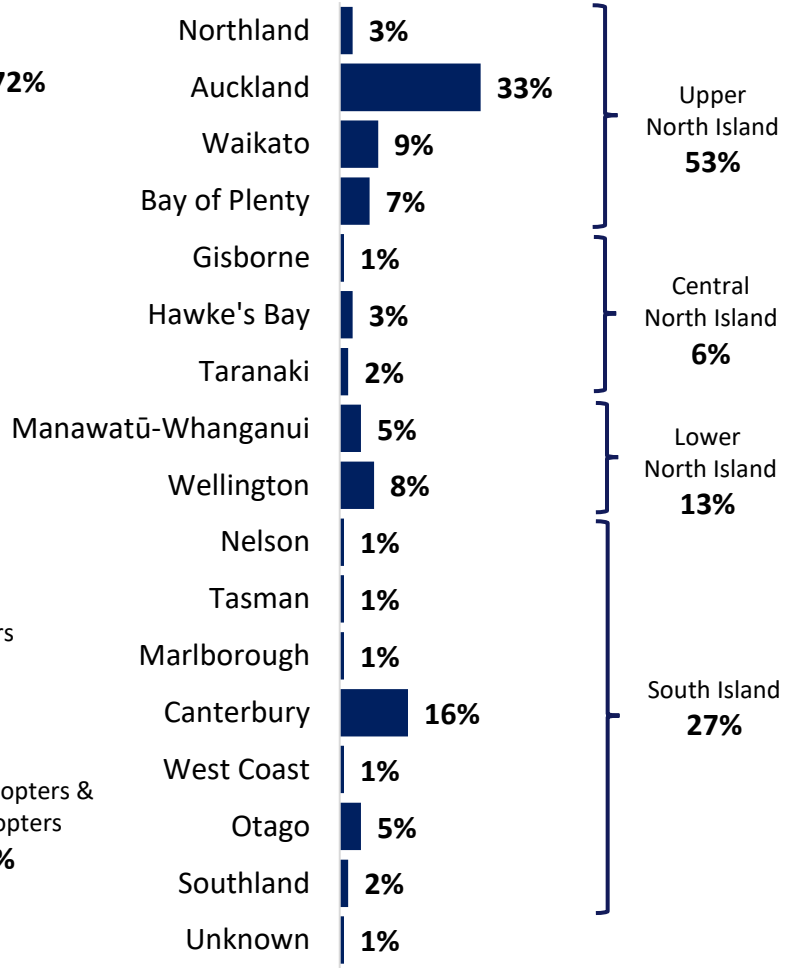


AI adoption status





Headquarters region



Base: *Weighted completed responses, representing an estimated population of 46,960 businesses*

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Methodology and sample:
Qualitative interviews and focus groups

- Qualitative research was conducted to provide deeper insight into the quantitative findings, with a focus on AI use, barriers, and governance.
- This research was conducted with SOBO 2026 survey participants who agreed to be recontacted for further research (n=1,210). Participants were purposively recruited to capture a broad range of perspectives across business sizes, industry, and stages of AI adoption.
- The qualitative research consisted of:
  - **12 online individual in-depth interviews**, conducted online via Microsoft Teams, 17–29 July 2026, lasting 60 minutes
  - **5 online focus groups**, conducted online via Microsoft Teams, 7–9 September 2026, lasting 90–120 minutes, with up to 5 participants per focus group
- All participants in the qualitative research were offered a koha of $150 from Ipsos in recognition of their time and contribution. Participants could choose to receive the koha as a Prezzy Card or have an equivalent donation made on their behalf to a charity selected from MBIE's approved list.
- Selected participant quotes are included throughout this report to illustrate and contextualise key survey findings.



SOBO 2026 demographics for qualitative interviews

In-Depth Interviews

- **12 online in-depth interviews** conducted **17–29 July 2026**
- Participants from a range of industries, business sizes, and regions across New Zealand

Business size

6–19 employees	n=3
20–49 employees	n=3
50–99 employees	n=3
100+ employees	n=3

AI adoption status

AI adopter	n=4
Planned AI adopter	n=4
AI non-adopter	n=4

Industry

Primary Industries
Goods Production
Trade & Hospitality
Transport
Business Services
Social & Personal Services

Region



Focus Groups

- **5 online focus groups** conducted **7–9 September 2026**
- Each focus group included:
  - A mix of AI users: AI adopters and at least one planned AI adopter and AI non-adopter
  - Participants from a range of industries, business sizes, and regions across New Zealand

Business size

6–19 employees	n=6
20–49 employees	n=5
50–99 employees	n=7
100+ employees	n=6

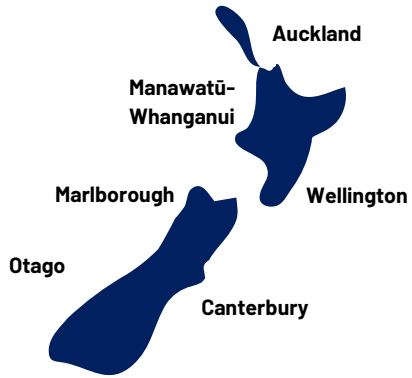
AI adoption status

AI adopter	n=14
Planned AI adopter	n=5
AI non-adopter	n=5

Industry

Primary Industries
Goods Production
Trade & Hospitality
Transport
Business Services
Social & Personal Services

Region



Base: *Depth interviews (n=12), Focus groups (n=5 – 24 participants total)*

Note: *Counts reflect actual figures.*

Interpretation and methodological notes (1)

This summary report presents the headline findings from SOBO 2026 Section D (AI).

Definitions

- **AI adopters:** businesses currently using AI
- **Planned AI adopters:** businesses planning to use AI
- **AI non-adopters:** businesses not planning to use AI

Base sizes

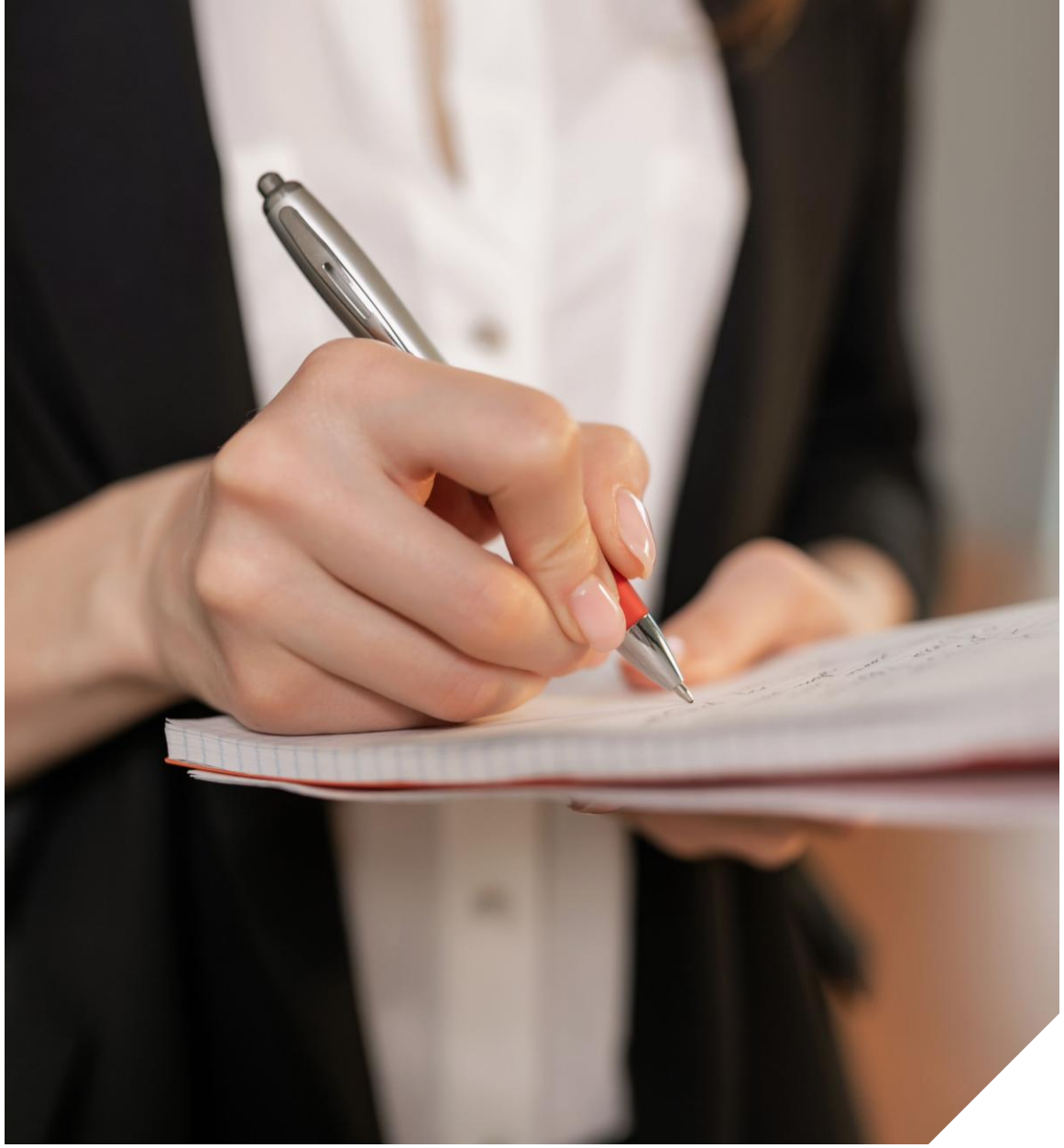
Where a question was asked of all businesses, no base is shown. Where results are based on a subset of businesses, the relevant subgroup and number of respondents are shown at the bottom of the slide.

Demographic differences

Green/**red** indicates a result that is statistically significantly **higher**/**lower** (at the 95% level) compared to the total.

Rounding

Percentages may not always sum to 100% due to rounding. Weighted and unweighted counts have also been rounded to the nearest 10.



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Interpretation and methodological notes (2)

Use of Artificial Intelligence

Ipsos utilises only secure, enterprise-grade AI tools to support research activities; it does not use publicly available AI tools. All project information and data processed through these tools remain within Ipsos's secure Microsoft 365 tenant and are not used to train AI models.

Within this project, AI was used to support the transcription of qualitative interviews and focus groups, as well as the analysis and synthesis of research findings.

Ipsos follows a human-in-the-loop approach, with all AI-assisted outputs reviewed by researchers to ensure accuracy, quality, and alignment with Ipsos's research expertise and shared understanding of the findings. This report was reviewed and approved in accordance with Ipsos's standard quality assurance processes.



2. KEY INSIGHTS



Key findings

AI adoption, use and drivers

- **AI adoption is widespread**, with 52% of businesses using AI and a further 18% planning to do so.
- **Deeper AI integration is at an early stage**, with 33% of AI adopters integrating AI into their products, services, or processes.
- **AI adoption is typically incremental**, driven by practical opportunities to improve efficiency and remain competitive, with businesses expanding use as value becomes evident.

Business impact of AI adoption

- **AI adopters are seeing operational benefits**, particularly faster access to accurate information for decision-making (68%) and improved resource optimisation and productivity (52%).
- **AI is reshaping how work is performed,** with 58% of AI adopters reporting increased worker productivity and 46% reporting task automation. Qualitative findings suggest this is **enabling existing teams to accomplish more and focus on higher-value activities.**
- These changes have not yet translated into widespread workforce change, with **88% of AI adopters reporting no effect on overall employment.**

Barriers to AI adoption

- **A lack of skills, knowledge, or training is the leading barrier to AI adoption (44%), followed by security concerns (28%)**. However, one-quarter of businesses report facing no barriers (25%).
- Qualitative findings suggest that **Planned AI adopters and AI non-adopters often struggle to identify relevant applications** and build a clear business case, while **AI adopters are more focused on using AI safely,** effectively, and at scale.
- **Public perceptions are a secondary barrier:** 30% of businesses agree that public attitudes limit AI adoption, while 40% hold a neutral view and 13% disagree.

Changing skill needs and workforce training

- **AI has increased skill needs for one-third of AI adopters and Planned AI adopters** (33%).
- **Businesses are primarily developing existing employees**, with 66% of AI adopters experiencing changing skill needs retraining or upskilling staff, compared with 22% hiring new workers.
- Businesses often **build AI capability through practical experimentation, drawing on employees' industry knowledge** and professional judgement.
- **Uncertainty about relevant training (34%) and lack of time (32%) remain the main barriers to AI training.**

Governance and responsible AI use

- **Human accountability remains central**, with businesses emphasising the need to check AI outputs and retain responsibility for AI-informed decisions.
- **Within businesses, AI governance maturity varies**, but protecting **sensitive information**, **privacy, and data security is a consistent priority**.
- **Businesses want practical, trusted government guidance on responsible AI use.** The government has a role in providing regulatory clarity and guidance on privacy, security, and risk, while allowing flexibility across industries.

What qualitative research revealed beyond the survey

The survey identified what businesses are doing with AI. Qualitative research explained why.

Survey finding	What qualitative research explained	
AI adoption is increasing	Adoption is usually driven by solving specific business problems (administration, reporting, compliance, staffing), rather than a formal AI strategy.	**Qualitative research showed that adoption is less constrained by the technology itself than by confidence, trust, governance, and understanding of how AI applies to specific business contexts.**
Lack of skills is a key barrier	Businesses are often unsure where to start, which tools are relevant, and how AI applies to their industry.	
Privacy and security concerns are common	Concern centres on liability, data sovereignty, client information, and uncertainty about where information goes once uploaded.	
AI is expected to improve productivity	Most businesses see AI as augmenting staff rather than replacing them, freeing up time for higher-value work.	
Government support is valued	Businesses want regulatory clarity, safeguards, and trusted guidance more than government-led implementation or training.	

3. AI ADOPTION, USE, AND DRIVERS



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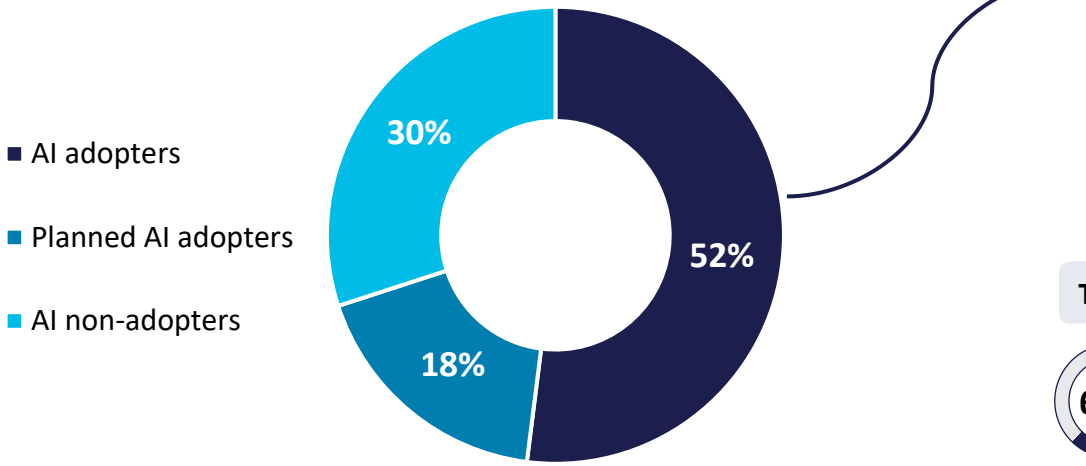
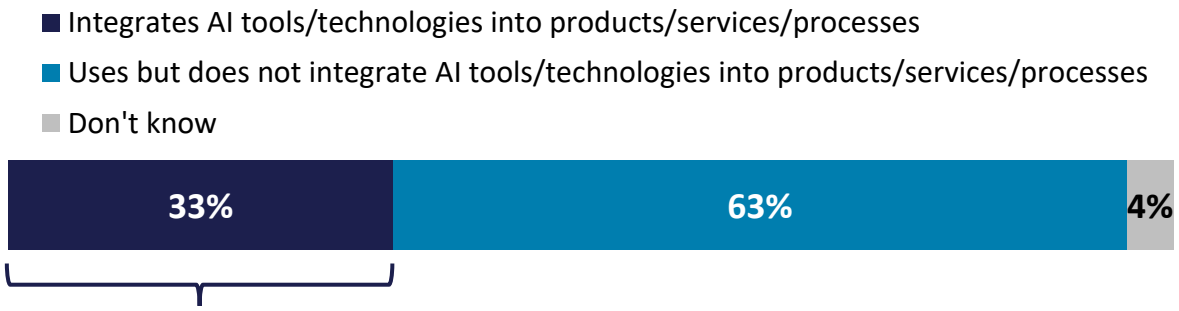
AI adoption and integration in NZ businesses

AI adoption is increasingly mainstream among NZ businesses, with 52% currently using AI. However, deeper integration remains at a relatively early stage. Businesses often adopt AI incrementally to address specific operational challenges. This reflects a focus on practical applications rather than wholesale transformation. In contrast, AI non-adopters are more likely to question AI's relevance to their industry than its potential value.

AI adoption among businesses



AI integration among AI adopters



Top-3 industries that integrate AI

- **62%** Information Media & Telecommunications
- **51%** Professional, Scientific & Technical Services
- **51%** Financial & Insurance Services

Industries most likely to be AI adopters

83%	Financial & Insurance Services
81%	Professional, Scientific & Technical Services

Industries least likely to be AI adopters

31%	Agriculture, Forestry & Fishing
37%	Accommodation & Food Services

"I personally think it's avoidable because you could still operate quite efficiently without it. However... you'd be silly to avoid it."

Planned AI adopter | Goods Production

"Where the hell does AI fit in putting a piece of fruit into a box?"

AI non-adopter | Business Services

QAI1: *Is this business using or planning to use AI?*

QAI3: *Thinking about your current business model, which of the following statements is most accurate?* ***Base:*** *AI adopters (n=6,030)*

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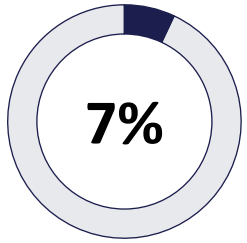
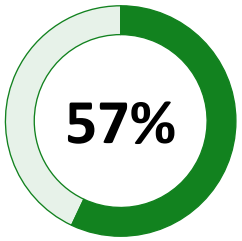
Level of AI knowledge

Despite AI adoption becoming increasingly mainstream, AI knowledge remains relatively limited. More than half of respondents (57%) described their own knowledge as 'beginner' or 'novice'. Only 7% reported 'advanced' or 'expert' knowledge. Similarly low knowledge levels were reported across businesses' employees. As such, many businesses are still building AI capability, even where adoption has begun. The challenge appears to be less about awareness of AI and more about turning experimentation into effective use.

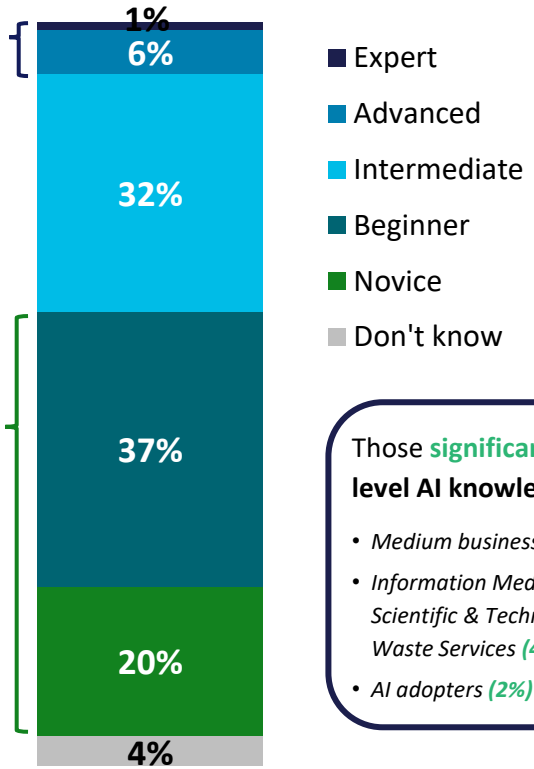
Participants' self-reported level of their AI knowledge



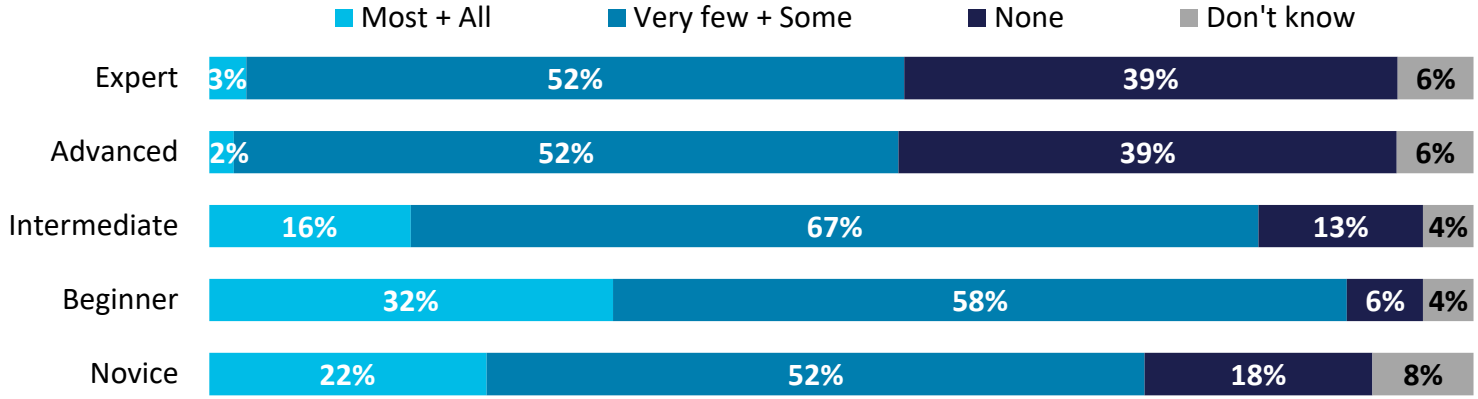
Expert + Advanced



Beginner + Novice



Proportion of employees at each AI knowledge level



Those **significantly more likely** to **self-report 'expert' level AI knowledge**

- *Medium businesses – 50–99 employees (3%)*
- *Information Media & Telecommunications (10%), Professional, Scientific & Technical Services (4%), Electricity, Gas, Water & Waste Services (4%)*
- *AI adopters (2%)*

"A lot of people don't know what they don't know and could AI do that better or could they automate something?"

AI adopter | Transport

"Even they [younger staff] are like, 'I don't know what I would use it for'."

AI adopter | Primary Industries

green/red is statistically significantly higher/lower than the total

QAI2a: *Which of the following best describes your own level of AI knowledge?*

QAI2b: *For each AI knowledge level below, please estimate how many of your employees fall into that category.* ***Base:*** *AI adopters and Planned AI adopters (n=7,720)*

Note: 'Beginner' *is defined as* basic understanding of AI with limited use, *while* 'novice' *is defined as* limited or no experience with AI technology.

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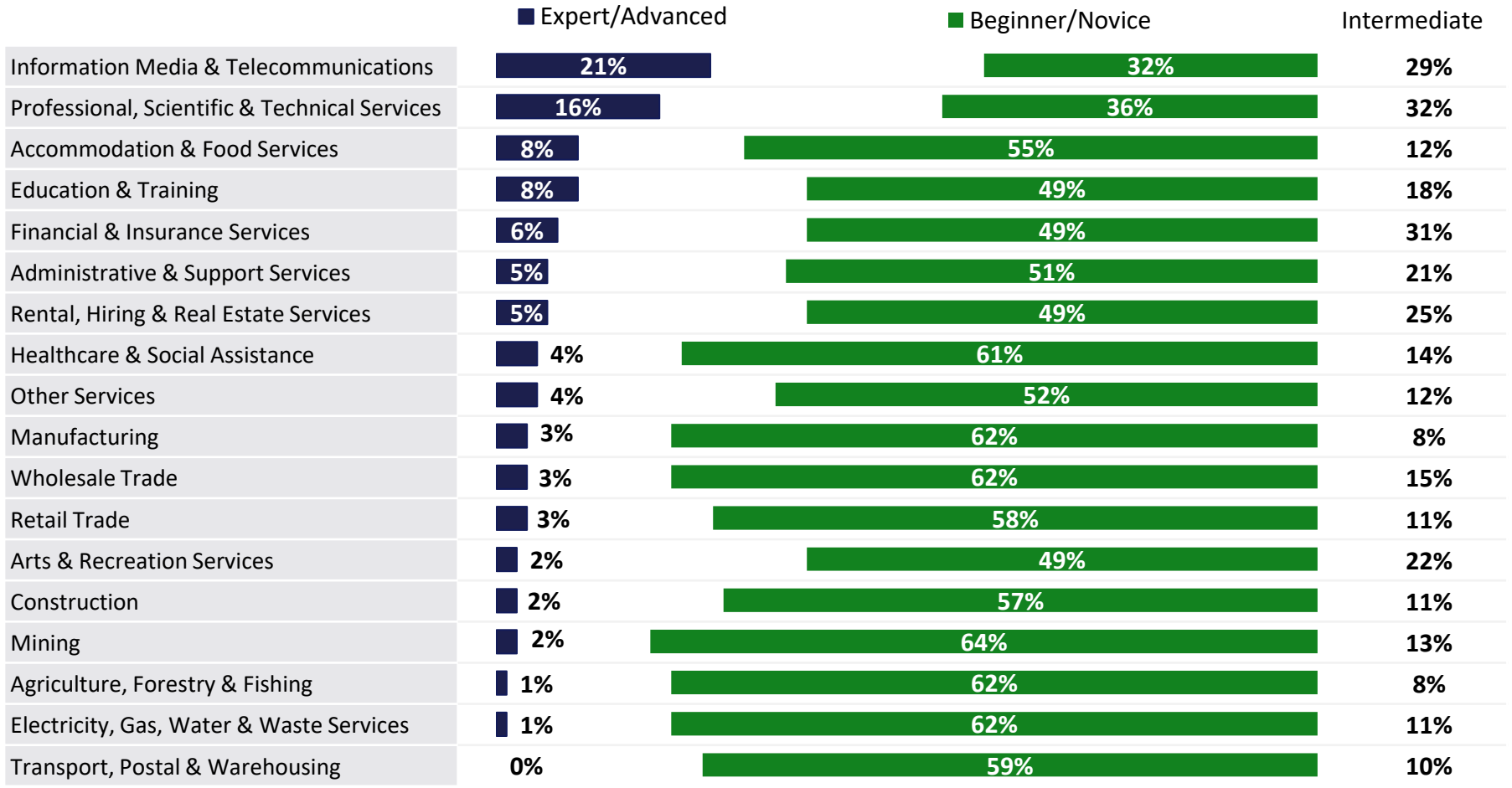
Employee AI knowledge levels by industry

AI capability is developing fastest in knowledge-intensive industries, where employees already work extensively with data, digital systems, and information-based tasks. Qualitative findings suggest differences in AI knowledge are more closely linked to employees' exposure to and practical use of AI than to attitudes towards the technology. Advanced AI capability, therefore, remains concentrated in these sectors, while many other industries continue to build foundational knowledge and skills.

Proportion of employees at each AI knowledge level (by industry)



"People are using it to build proposals, write code, automate tasks and create presentations."

AI adopter | Business Services

"We've got a high knowledge workforce and that high knowledge workforce were obviously already using ChatGPT and various things at home."

AI adopter | Goods Production

QAI2b: *For each AI knowledge level below, please estimate how many of your employees fall into that category.*

Base: *AI adopters and Planned AI adopters (n=7,720)*

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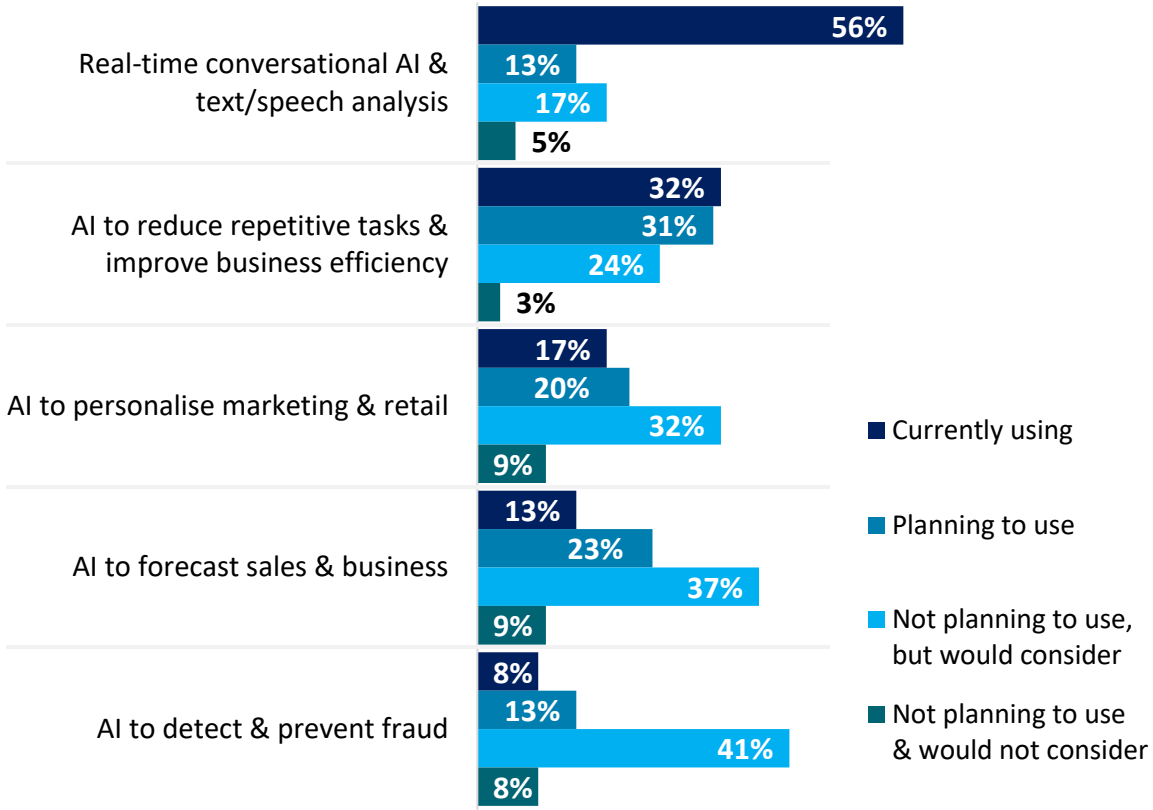
Current and planned use of AI-driven products and services

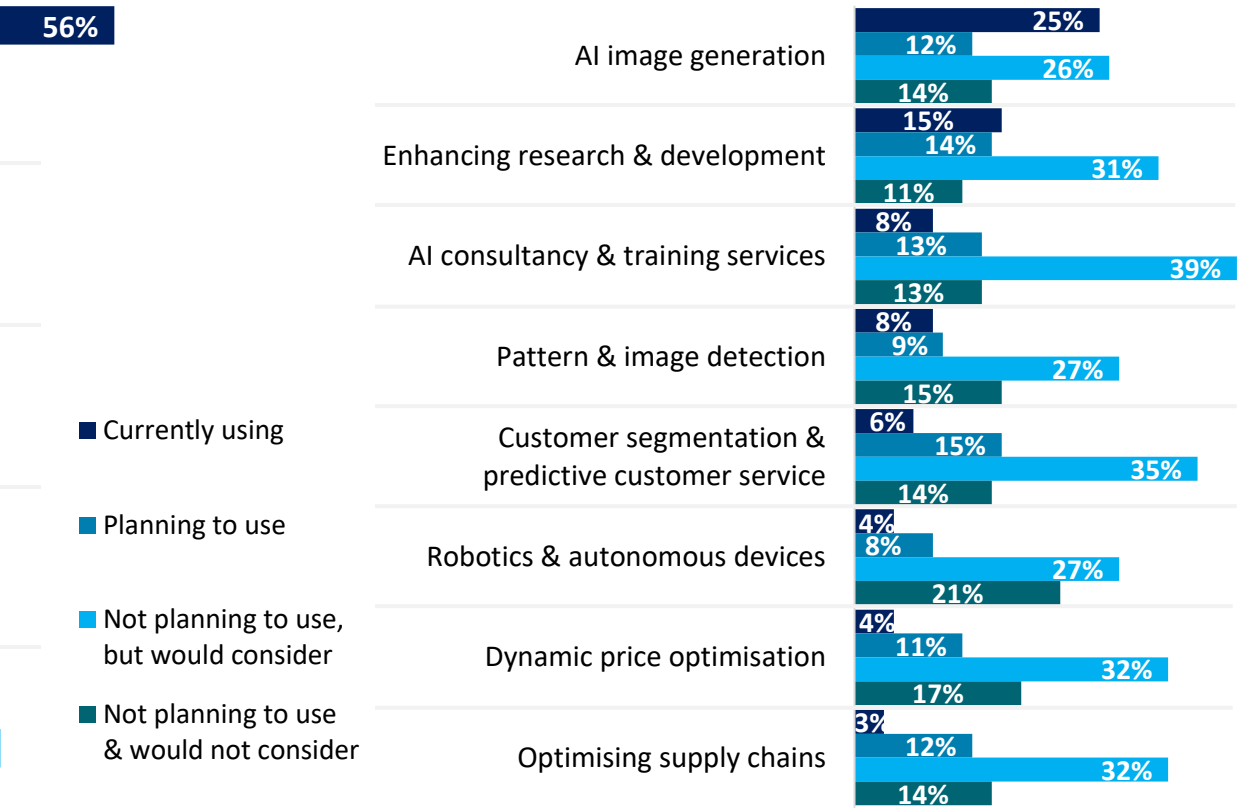
AI use is currently centred on accessible, general-purpose applications, with real-time conversational AI and text or speech analysis the most commonly used tools (56%). This suggests many businesses are prioritising applications that are easy to trial, quick to implement, and capable of delivering visible efficiency gains. More advanced use cases remain a future ambition, indicating that businesses are seeking immediate operational value before expanding into more specialised AI applications.

Current and planned use of AI-driven products and services

Common business applications of AI



Specialised AI applications and services



> *"The invoices, electronic invoices can come into our system… basically it saves input from staff."*
>
> AI adopter | Goods Production

> *"We're going to flick over to Xero... mainly because they had the AI dude."*
>
> Planned AI adopter | Primary Industries

QAI4: *How would you describe this business's use of the following AI-driven products and services?* ***Base:*** *AI adopters and Planned AI adopters (n=7,720)*

QAI5: *For each of the following AI-driven products or services, please can you tell us whether your business is using them, planning to use them, or would consider using them.* ***Base:*** *AI adopters and Planned AI adopters (n=7,720)*

Note: 'Not applicable' *and* 'Don't know' *are not displayed.*

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Deep-dive into AI adoption journey and decision-making process

AI adoption is typically an incremental journey, driven by a desire to improve efficiency and remain competitive. Businesses make pragmatic decisions based on demonstrated value and practical relevance while maintaining human oversight of AI outputs.

AI adoption is usually organic rather than strategic

Few businesses described a formal AI strategy. Adoption often began through individual experimentation, curiosity, supplier recommendations, or exposure through industry networks. Most businesses reported trialling low-risk applications first before expanding use where value became evident.

Businesses evaluate AI through a practical business lens

Decisions to continue or expand use are based on demonstrated efficiency gains, ease of integration, confidence in outputs, and relevance to business needs. Human oversight remains an important safeguard, particularly where accuracy, confidentiality, or customer-facing work is involved.

AI implementation is concentrated in administrative and knowledge-based tasks

Current implementation is focused on practical productivity applications, including content drafting, summarising documents, meeting notes, information retrieval, research support, coding assistance, and workflow automation. Businesses generally reported using AI to support and augment existing work processes rather than replace staff or fundamentally redesign roles.

"It is something that we would like to move towards, but... there's a time constraint, we need training, there's a cost to it."

Planned AI adopter | Social & Personal Services

"We trialled using an AI... and in the end, we gave up on it. The manager said to me that it would be more efficient and would save us money, and the staff basically didn't come on board."

AI non-adopter | Social & Personal Services

"When we run our board report each month for the board, like it only takes... one prompt and it basically generates the whole thing and it pulls down all of our numbers and puts it all together in a really coherent fashion."

AI adopter | Business Services

"Change is probably for the better, or if you don't change, you get left behind."

Planned AI adopter | Transport

4. BUSINESS IMPACT OF AI ADOPTION



Impact of AI on business outcomes

The strongest benefits of AI are being felt in how businesses operate rather than how they earn revenue. While 68% of AI adopters reported faster access to accurate data for decision-making, only 21% reported increased revenue, profit, or cashflow. This suggests businesses are using AI to make faster decisions, reduce routine work, and improve productivity, with efficiency gains typically being realised before broader commercial impacts emerge.

Business outcomes achieved with the help of AI



Those **significantly more likely** to state AI **enabled faster access to accurate data to inform decision-making**

- *Large & Medium businesses – 100+ (75%), 20–49 (73%) employees*
- *Information Media & Telecommunications (79%), Financial & Insurance Services (78%), Professional, Scientific & Technical Services (75%), Rental, Hiring & Real Estate (75%), Administrative & Support Services (74%)*

Those **significantly more likely** to state AI **enhanced resource optimisation and productivity**

- *Large & Medium businesses – 100+ (58%), 20–49 (56%) employees*
- *Financial & Insurance Services (69%), Information Media & Telecommunications (68%), Professional, Scientific & Technical Services (68%), Administrative & Support Services (61%), Rental, Hiring & Real Estate (59%)*
- *Upper North Island (54%)*

"We see it as being a real tool to enable us to grow without growing."

AI adopter | Goods Production

"It allows us to do things faster and better than others."

AI adopter | Social & Personal Services

green/red is statistically significantly higher/lower than the total

QAI6: *In the last 12 months, has the use of AI helped or not helped you achieve the following business outcomes?*

Base: *AI adopters (n=6,020)*

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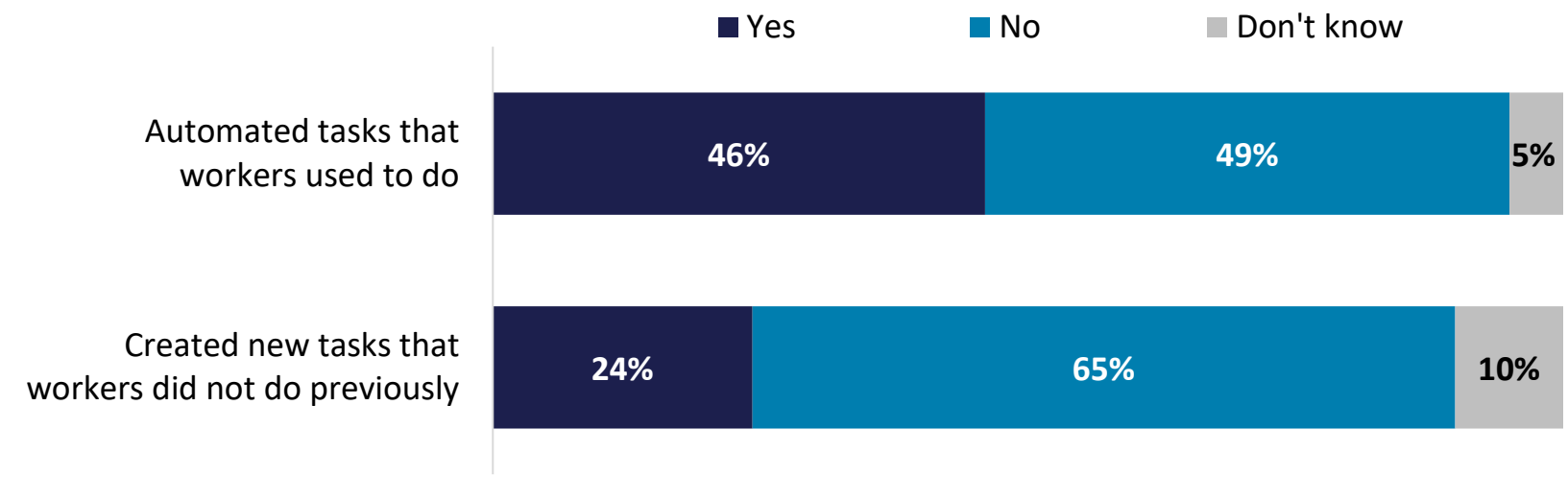
Automating and creating new tasks with AI

Early evidence suggests AI is reshaping day-to-day work. Routine and time-intensive tasks are being automated, while new activities are emerging around oversight, analysis, and decision-making. Almost half of AI adopters (46%) reported automating tasks previously undertaken by workers. However, businesses more commonly described AI as reshaping existing tasks than fundamentally changing workforce roles. These changes are most visible in larger businesses and knowledge-intensive industries, where more advanced AI use is also evident.

Impact of AI on workplace tasks



"I spent a week and a half working through all those drawings to work out the changes... When I used AI that took me about an hour to do, and it gave me feedback that was very consistent with what I'd spent a week and a half working through."

AI adopter | Goods Production

Those **significantly more likely** to **use AI to automate tasks that workers used to do**

- *Large & Medium businesses – 100+ (61%), 50–99 (53%), 20–49 (51%) employees*
- *Financial & Insurance Services (71%), Information Media & Telecommunications (66%), Professional, Scientific & Technical Services (63%), Administrative & Support Services (60%), Rental, Hiring & Real Estate (57%)*
- *Upper North Island (49%)*

Those **significantly more likely** to **use AI to create new tasks that workers did not do previously**

- *Large businesses – 100+ employees (30%)*
- *Information Media & Telecommunications (39%), Financial & Insurance Services (36%), Professional, Scientific & Technical Services (33%), Administrative & Support Services (30%)*
- *Upper North Island (27%)*

green/red is statistically significantly higher/lower than the total

QAI10: *Thinking about this business, in the last 12 months, has artificial intelligence…*

Base: *AI adopters (n=6,020)*

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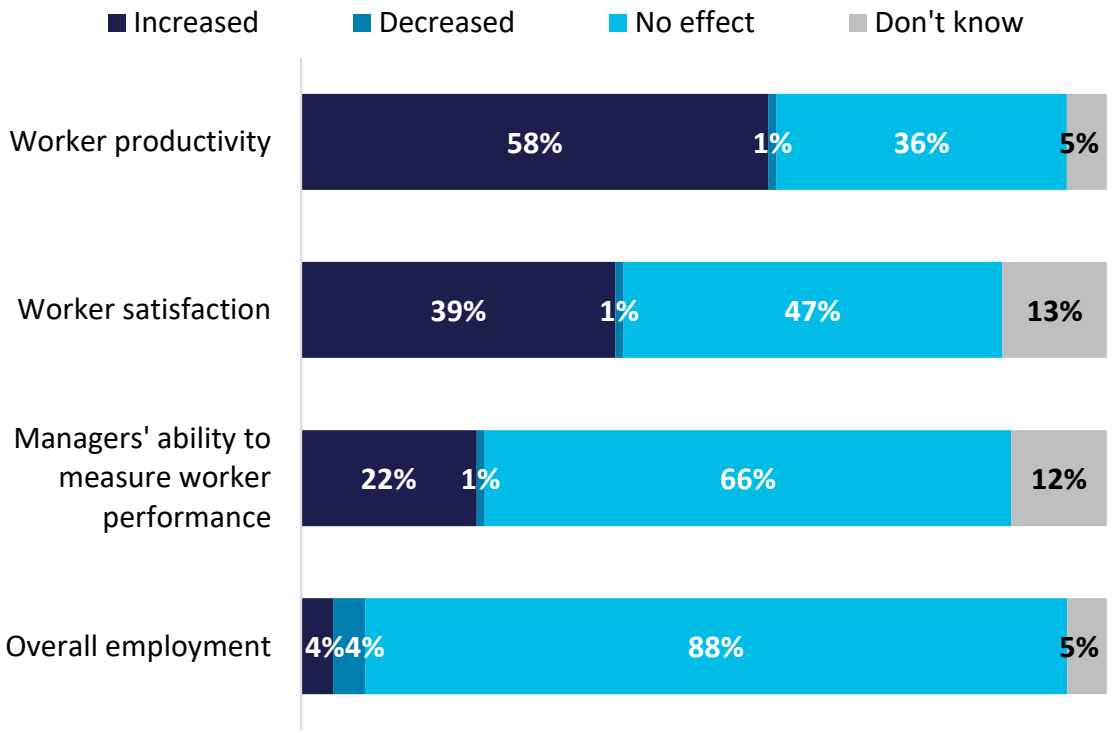
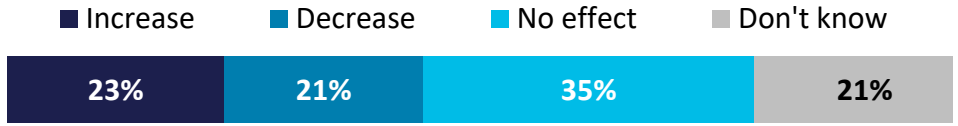
Impact of using AI on the workforce

To date, AI has had a greater impact on how employees work than on workforce size. While 58% of AI adopters reported increased worker productivity, 88% reported no change in overall employment. This suggests AI is currently augmenting existing roles rather than replacing them, with routine tasks increasingly automated and responsibilities evolving in response. Expectations for future productivity gains remain strong, although the longer-term implications for employment and workforce structures remain uncertain.

Impact of AI on workforce outcomes



Views on how AI will impact overall employment in participants' sector in the next 10 years



Views on how AI will impact worker productivity in participants' sector in the next 3–5 years



"I feel like my role is simply changing from being a manager into a coach for my team."

AI adopter | Business Services

"We've already dropped... half a position to AI, and that's just doing those mundane tasks."

AI adopter | Business Services

QAI13: *In this business, has AI increased, decreased or had no effect on the following in the last 12 months?* ***Base:*** *AI adopters (n=6,020).* ***Note:*** 'Not applicable' *is not displayed.*

QAI14: *Over the next 10 years, how do you think that AI will affect overall employment in your sector?*

QAI15: *Thinking about the next 3–5 years, do you think that artificial intelligence will increase, decrease or have no effect on worker productivity in your sector?*
Base: *AI adopters and Planned AI adopters (n=7,710)*

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Deep-dive into operational impacts and strategic shifts due to AI

AI is primarily being used to enhance productivity, decision-making, and organisational capacity, allowing businesses to do more with existing resources rather than fundamentally redesigning workforce structures. Businesses report operational efficiency gains, improved access to information, and reduced administrative workload while maintaining human oversight and accountability for important decisions.

Increased organisational capacity
AI enables businesses to accomplish more with existing teams by reducing administrative burden, accelerating tasks, and making information more accessible.

Greater focus on higher-value activities
Efficiency gains allow staff to spend less time on routine administrative work and more time on strategic, customer-facing, and decision-focused activities.

More efficient workflows
Businesses are using AI to automate or streamline repetitive tasks, particularly within reporting, documentation, information retrieval, and administrative processes.

Enhanced professional judgement
AI supports faster analysis, information synthesis, and decision-making, while human expertise, judgement, and accountability remain central.

Improved access to information
AI helps businesses find, analyse, and synthesise information more quickly, improving visibility and access to knowledge across organisations.

"I used to spend the whole day on Sunday reviewing reports and now I can basically do it all in 5 minutes."

AI adopter | Social & Personal Services

"Just because AI wrote the presentation, you still have to validate and check and deliver that presentation. You're still the professional person that owns that accountability."

AI adopter | Goods Production

"The most important thing is actually being able to analyse data so that we can make good decisions."

AI adopter | Trade & Hospitality

"The key thing is to just reduce what we call toil."

AI adopter | Business Services

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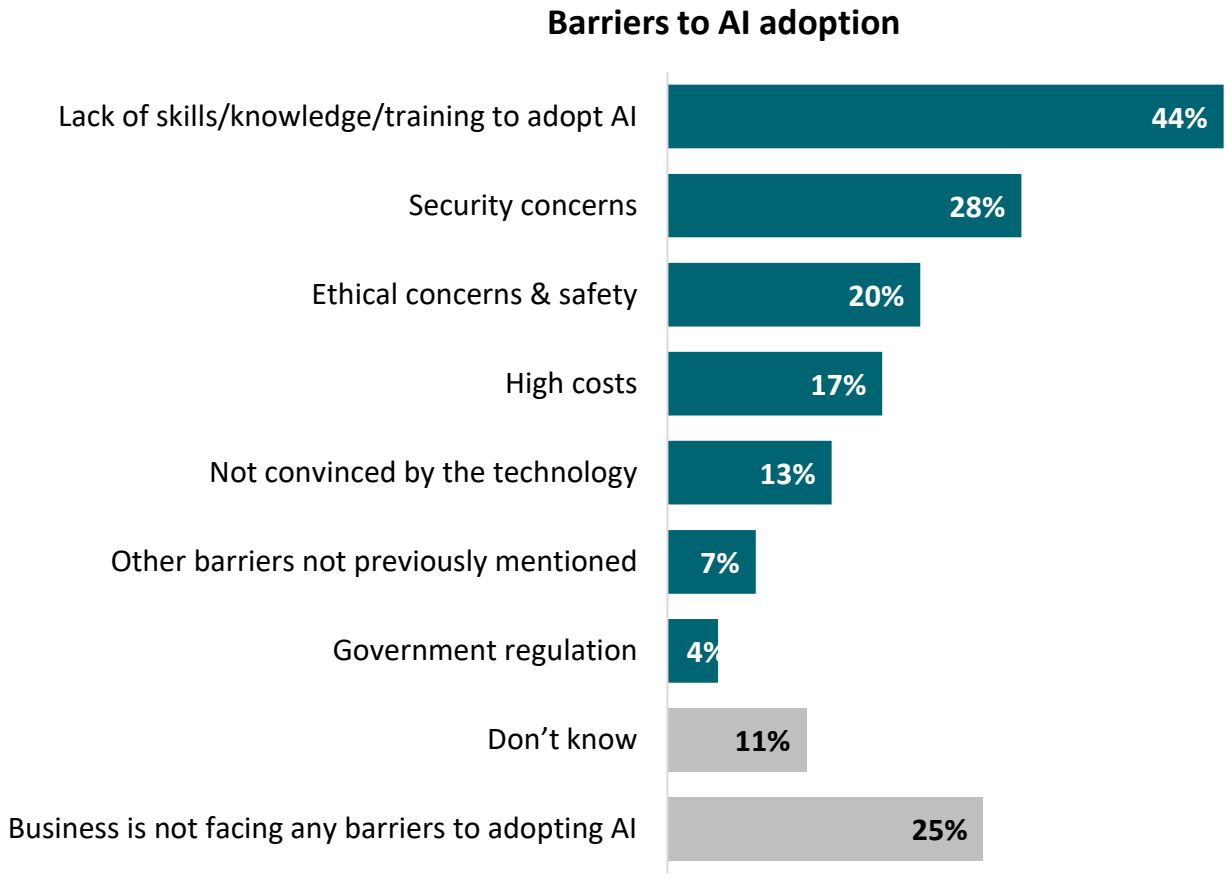
5. BARRIERS TO AI ADOPTION



Barriers to AI adoption

The primary barriers to AI adoption are practical rather than ideological. With 44% identifying a lack of skills, knowledge, or training as a barrier, many businesses appear to struggle less with the concept of AI than with understanding where and how to apply it. Challenges centre on identifying relevant use cases, knowing where to begin, and building confidence that AI can deliver value. AI non-adopters often question AI's relevance to their business. Security and privacy concerns become more prominent as businesses move closer to implementation.



Those **significantly more likely** to identify **lack of skills, knowledge or training to adopt AI** as a barrier

- *Large & Medium businesses – 100+ (59%), 50–99 (57%), 20–49 (51%) employees*
- *Manufacturing (52%), Retail Trade (51%), Wholesale Trade (49%), Administrative & Support Services (48%)*

Those **significantly more likely** to identify **security concerns** as a barrier

- *Large & Medium businesses – 100+ (47%), 50–99 (44%), 20–49 (33%) employees*
- *Financial & Insurance Services (49%), Information Media & Telecommunications (47%), Healthcare & Social Assistance (46%), Professional, Scientific & Technical Services (45%)*

green/red is statistically significantly higher/lower than the total

"It's that first hurdle to find what is useful."

Planned AI adopter | Primary Industries

"We got the product, we've got a business, we just can't see where it crosses over."

Planned AI adopter | Trade & Hospitality

QAI8: *What barriers is this business facing to adopting AI? Please select all that apply.*

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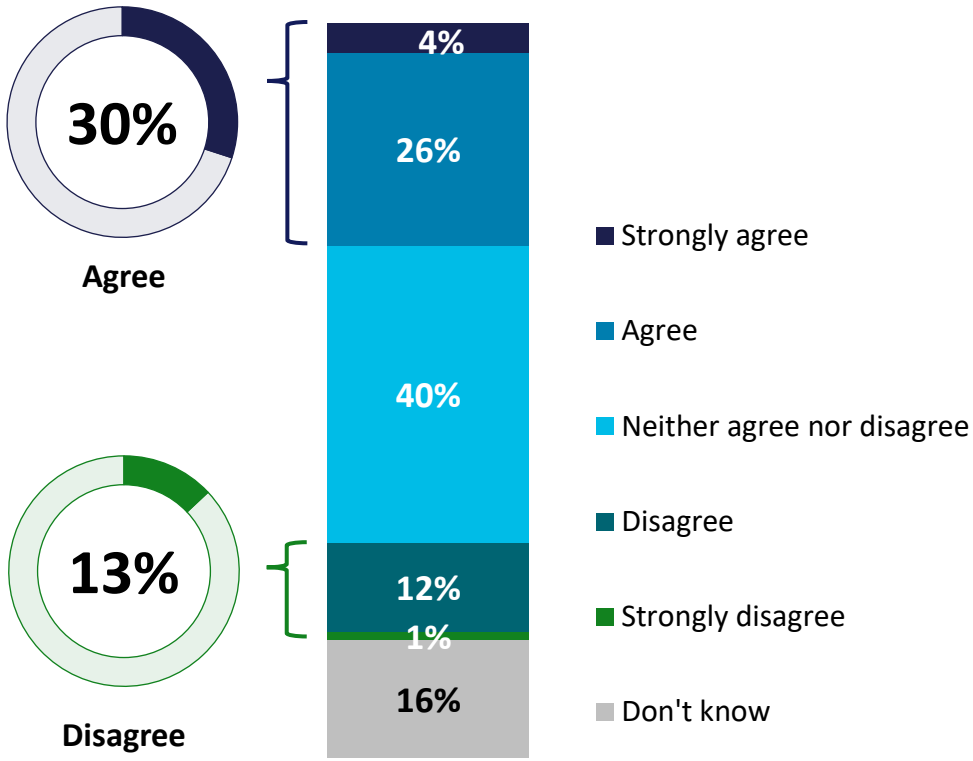
Public perceptions of AI as a barrier to adoption

Public perceptions are not a primary barrier to AI adoption. However, almost one-third of businesses (30%) agree that public attitudes limit uptake. Concern is higher among medium-sized businesses, where human interaction, authenticity, or personal expertise may help distinguish them from larger organisations. Qualitative findings suggest concerns centre less on the technology itself and more on its potential impact on employment, critical thinking, and genuine human connection. These concerns are particularly relevant in people-focused sectors such as education, recruitment, and social services.

'Public attitudes and perceptions towards AI contribute to limiting its adoption in New Zealand businesses.'



Those **significantly more likely** to **agree**

- *Medium businesses – 20–49 (34%), 50–99 (34%) employees*
- *Healthcare & Social Assistance (42%), Education & Training (36%), Professional, Scientific & Technical Services (34%)*

Those **significantly less likely** to **agree**

- *Manufacturing (28%), Agriculture, Forestry & Fishing (26%), Construction (26%)*

"If AI replaces more opportunities, how could these people end up?"

AI non-adopter | Primary Industries

"The critical thinking isn't going to happen. And these young people are going to be ruling our world soon. So it does concern me."

AI non-adopter | Social & Personal Services

green/red is statistically significantly higher/lower than the total

QAI9: *To what extent do you agree or disagree with the following statement:*
'Public attitudes and perceptions towards AI contribute to limiting its adoption in New Zealand businesses'*?*

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Deep-dive into barriers and challenges in AI integration
(AI adopters)

For AI adopters, the key challenge is rarely whether AI should be used, but how to use it effectively, safely, and at scale. Businesses reported that barriers often emerge after adoption, particularly around workforce capability, data security, governance, and ensuring AI-generated outputs can be trusted.

Moving beyond basic-use cases remains challenging
While most adopters have found value in administrative and productivity-focused applications, many reported uncertainty about where AI can add further value across the business.

Data security and privacy remain significant concerns
As adoption grows and businesses explore more advanced applications, concerns about customer information, sensitive business data, and system security become more prominent.

Human oversight and trust remain essential
Businesses consistently reported that AI outputs require validation and review. Trust in AI remains conditional on human expertise and judgement.

Governance is developing more slowly than adoption
Most adopters reported that AI usage has expanded faster than formal governance. While safeguards are increasingly recognised as important, many organisations are still determining what good governance looks like in practice.

"I'm 100% happy to use it, but I just don't know how."

AI adopter | Goods Production

"I'm very concerned that by mistake my staff might breach privacy."

AI adopter | Trade & Hospitality

"One thing that has been quite frustrating is how confidently wrong it is."

AI adopter | Social & Personal Services

"As much as I love it, where are the safeguards?"

AI adopter | Business Services

Deep-dive into barriers and challenges in AI integration
(Planned AI adopters and AI non-adopters)

For Planned AI adopters and AI non-adopters, the most significant barriers were often not concerns about AI itself but uncertainty about how it applies to their business. Many struggled to identify relevant use cases, build a clear business case, or justify investment without greater confidence in the value AI could deliver. Where businesses operated in highly manual or people-focused environments, AI was frequently viewed as less relevant to core operations.

Businesses struggle to identify relevant use cases
Many businesses are open to AI and recognise its potential benefits, but remain uncertain about where it fits within their organisation. The challenge is often understanding how AI can solve real business problems rather than simply understanding the technology.

Perceived relevance varies significantly by industry
Businesses operating in manual, labour-intensive industries often struggle to see how current AI tools could support their day-to-day operations.

Knowledge and confidence gaps slow adoption
Many participants felt interested in AI but lacked confidence about where to start, which tools to use, or how AI could realistically benefit their business.

Return on investment and business value remain unclear
Businesses were generally willing to adopt AI if there was a compelling business case; however, many were still waiting for clearer proof of value.

"The use case is just not there."

AI non-adopter | Business Services

"I really can't get AI with our business related together."

AI non-adopter | Primary Industries

"The knowledge to be able to discern what would benefit your business makes sense."

AI non-adopter | Transport

"I'd only do it if it's going to save me time and money."

AI non-adopter | Business Services

6. CHANGING SKILL NEEDS AND WORKFORCE TRAINING

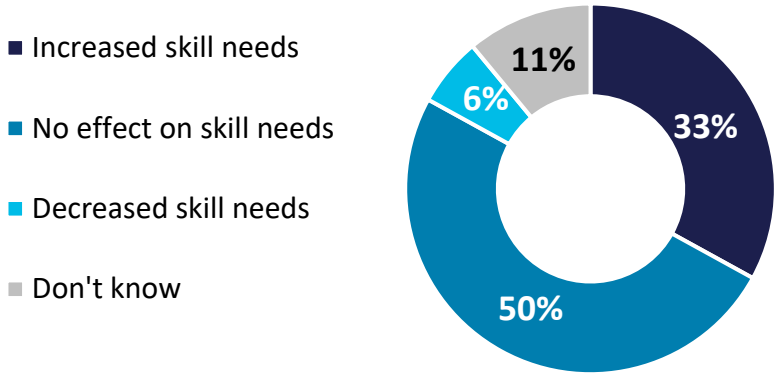


Impact of AI on workforce skill needs

AI is changing the nature of workforce capability rather than eliminating the need for it. While half of businesses reported no overall change in skill needs, those experiencing change were more likely to require additional skills than fewer skills (33% vs 6%). Businesses increasingly view human judgement, critical thinking, and AI literacy as complementary skills, with employees expected to assess, validate, and apply AI-generated outputs rather than rely on them uncritically. Reflecting this, businesses were more likely to report growing demand for specialised AI skills (44%) and human skills such as creativity and communication (34%).

green/red is statistically significantly higher/lower than the total

Changing skill needs due to AI



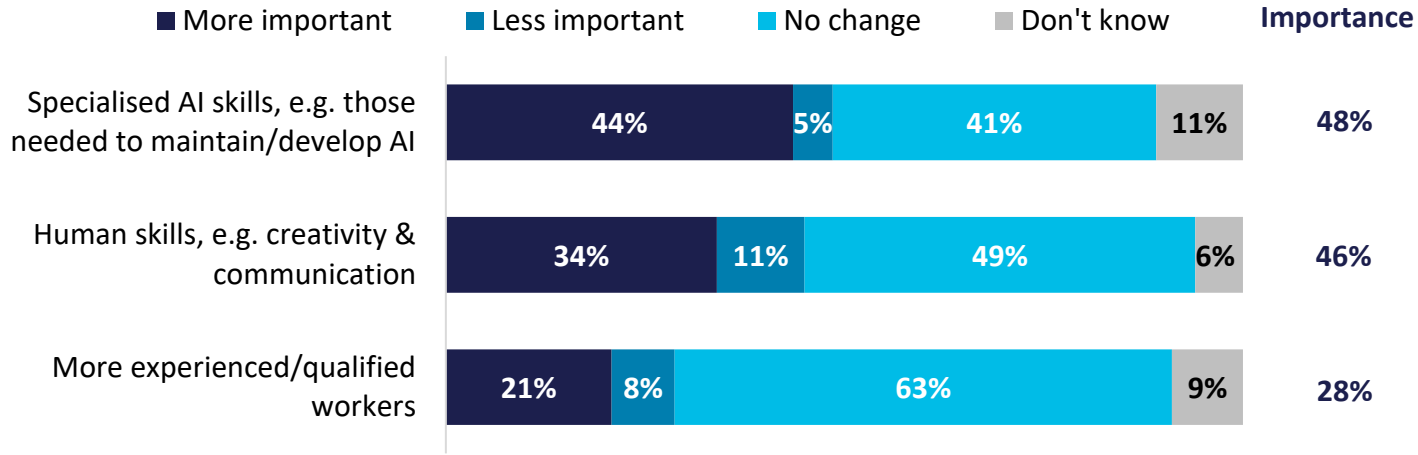
Those **significantly more likely** to report **increased skill needs**

- *Large & Medium businesses – 100+ (45%), 50–99 (37%) employees*
- *Financial & Insurance Services (55%), Information Media & Telecommunications (47%), Professional, Scientific & Technical Services (46%), Administrative & Support Services (42%), Wholesale Trade (40%)*

Those **significantly more likely** to report **decreased skill needs**

- *Lower North Island (8%)*

Skills and resources becoming more important with AI adoption



"Currently, you've got people who have been in the trenches for years who understand what the answer should be, and they can go and use AI, and they can assess whether what they're getting out of AI is correct or not."

AI adopter | Goods Production

"How do we build the curiosity? Because with AI, you have to be able to ask a good question."

AI adopter | Trade & Hospitality

QAI16: *How do you think that AI has changed skill needs in this business in the last 12 months? Please consider your business as a whole, even if experiences vary across different teams or departments.* ***Base:*** *AI adopters and Planned AI adopters (n=7,710)*

QAI17a: *In the last 12 months, to what extent has AI made each of the following skills and resources more or less important for this business?* ***Base:*** *AI adopters (n=6,020)*

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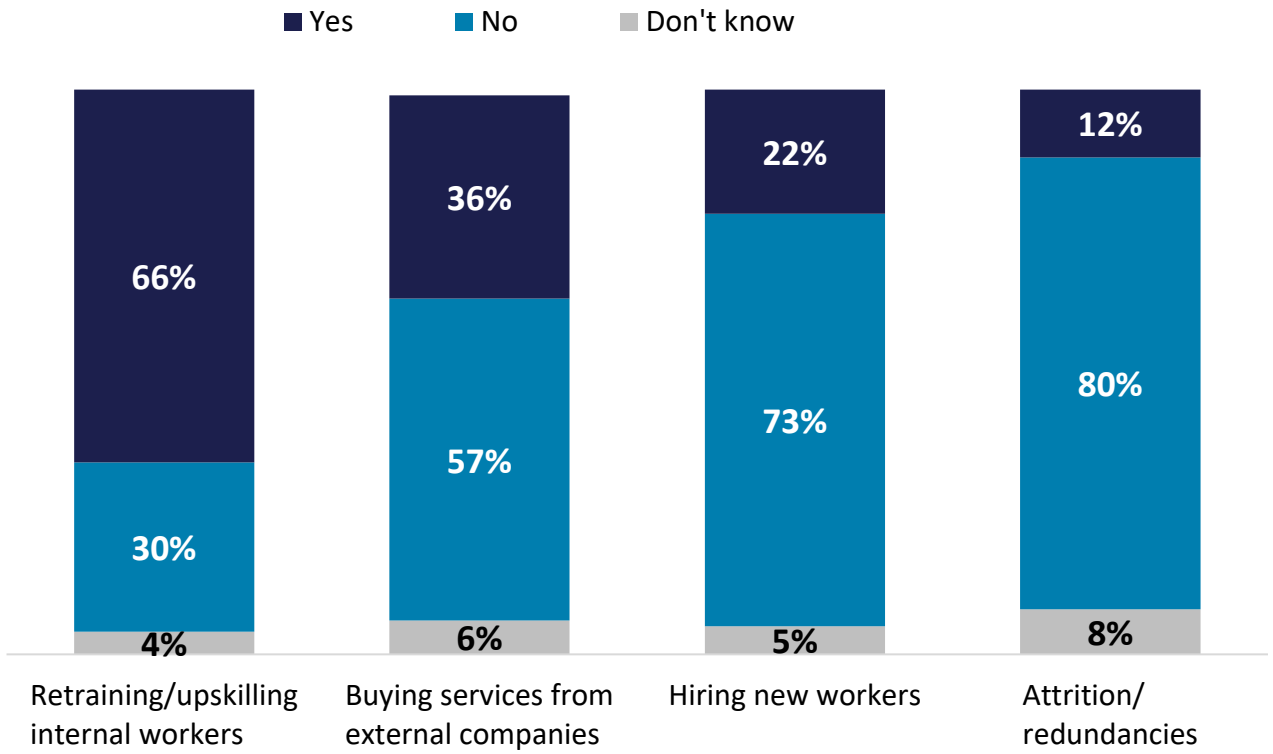
Business responses to changing AI skill needs

Rather than treating AI as a workforce replacement challenge, businesses are approaching it as a capability-building opportunity. Nearly two-thirds (66%) of AI adopters experiencing changing skill needs responded by retraining or upskilling existing employees. This far exceeded the proportion hiring new workers (22%) or reducing staff through attrition or redundancies (12%). Businesses see value in helping trusted employees adapt, as they already understand the organisation and its operating context. AI capability is often built through practical learning and experimentation.

Actions taken by AI adopters in the last 12 months to address changing skill needs



Deep-dive into business responses to changing AI skill needs

Businesses prefer to build AI capability within their existing workforce rather than recruit new staff. Participants described upskilling as lower risk and more practical, as existing employees already understand the business, culture, and operating environment.

While specialist external support is often used to help organisations get started, most businesses believe AI capability can be developed internally through training, experimentation, and practical application.

"Our staff numbers are probably very similar, but the job's easier."

Planned AI adopter | Primary Industries

"Is it [AI skills] a must? No, I can teach you skills... It's more about attitude and fitting in the team."

AI adopter | Business Services

QAI18: *In the last 12 months, has this business addressed these changing skill needs in any of the following ways?*

Base: *AI adopters who experienced changes in skill needs in the last 12 months (n=2,860)*

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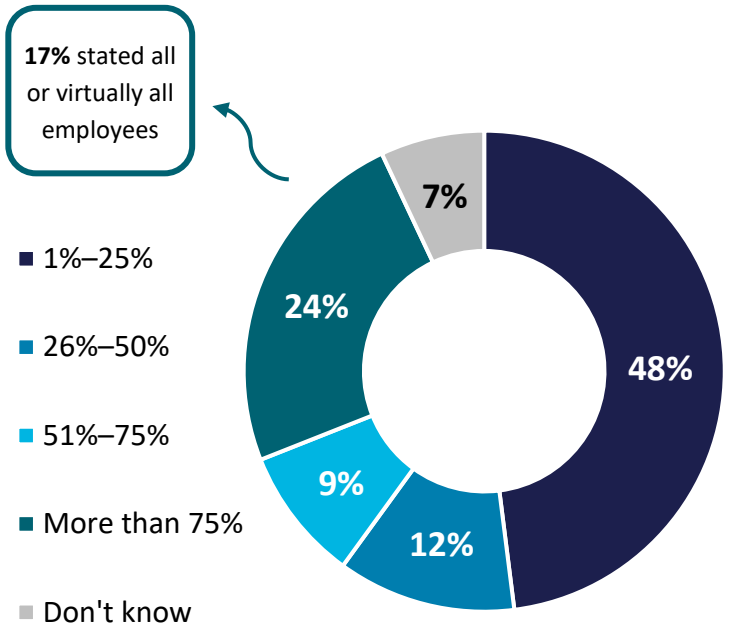
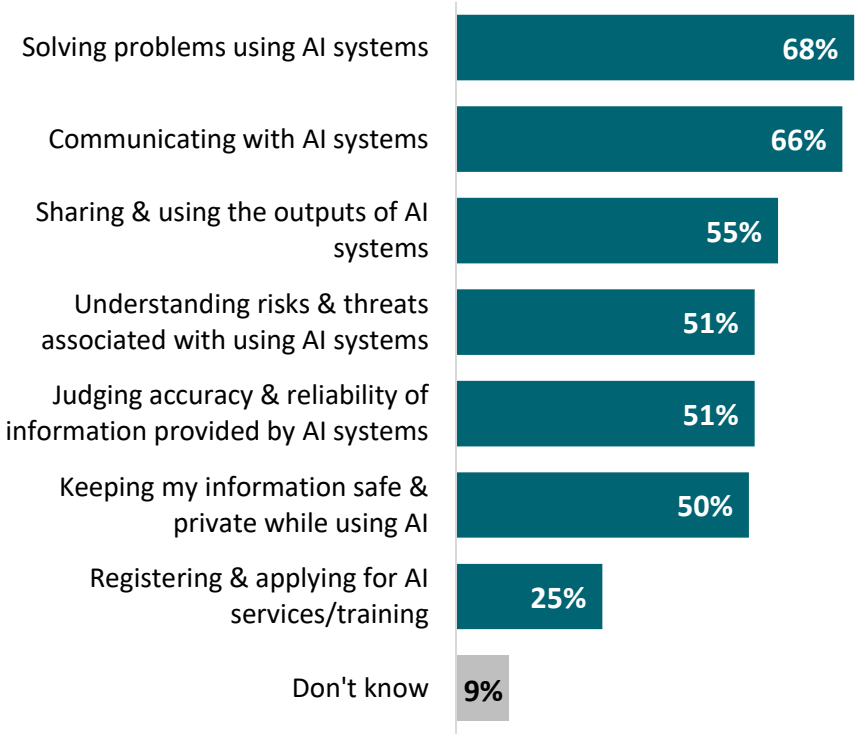
AI training

AI capability development remains uneven. Among AI adopters that provided training, almost half (48%) had trained one-quarter or less of their employees. The main challenge appears to be identifying which training will be most useful, with 34% unsure what was relevant for their business. Training commonly focused on practical skills, particularly problem-solving and communicating with AI systems. Many businesses are also building capability through hands-on experience and want industry-relevant guidance rather than generic AI education.

Proportion of employees who undertook AI training



Skills and knowledge covered in AI training



Barriers to AI training and upskilling



QAI19: *In the last 12 months, approximately what proportion of your current employees have undertaken any internal or external training to improve AI knowledge or skills? /* ***QAI20:*** *What did this training consist of? Please select all that apply.* ***Base:*** *AI adopters who have retrained or upskilled internal workers (n=2,010)*

QAI21: *In the last 12 months, what barriers has your business faced to engaging with training or upskilling related to AI? Please select all that apply.*

Note: *Open-ended responses for QAI20 and QAI21 have been coded and combined with fixed-response categories; results are shown only for categories representing 5% or more of responses.*

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Deep-dive into workforce evolution and skills development

AI increases the importance of human skills, critical thinking, and judgement, while businesses largely learn AI through experimentation and practical application rather than formal workforce development.

Critical thinking and human judgement become more important
Participants consistently stated that AI does not remove the need for expertise. Instead, critical thinking, professional judgement, and domain knowledge become more important as workers are required to assess, validate, and take accountability for AI outputs.

AI skills are learned through experimentation rather than formal training
Many businesses described building AI capability through experimentation, peer learning, online resources, and practical application rather than formal workplace training programmes.

Businesses need help understanding how AI applies to their industry
Participants often stated that the challenge was not willingness to learn but understanding where AI could create value within their business or industry. Practical and industry-specific examples were seen as more useful than general information about AI.

AI amplifies the impact of existing skills and expertise
Participants described AI helping experienced workers work more efficiently, undertake higher-value activities, and extend the capability of existing teams, while human expertise remained central to outcomes.

"The more we can actually get our senior intelligence back into the field... I don't have to sit around in front of the computer doing paperwork that I never loved."

AI adopter | Business Services

"I think it's probably the understanding on the different type of AI's, and which ones are specialty based AI's."

AI adopter | Trade & Hospitality

"I downloaded a login for ChatGPT just because I was curious, I suppose."

AI adopter | Goods Production

"We can see that in certain areas, we will have to run smarter, and we'll have to use capital better. And I see AI as a huge tool."

Planned AI adopter / Goods Production

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7. GOVERNANCE AND RESPONSIBLE AI USE



Deep-dive into navigating AI governance and compliance

Businesses were actively navigating how to govern AI use, with approaches ranging from formal policies and training programmes to more informal safeguards and existing business processes. Despite these differences, accountability, privacy, and information security emerged as consistent priorities.

Human accountability remains non-negotiable
Businesses consistently emphasised that AI does not replace professional responsibility, with users expected to validate outputs and remain accountable for decisions, recommendations, and actions informed by AI.

Data privacy and information security drive governance decisions
Governance concerns were primarily centred on protecting sensitive information, with businesses focused on what data could be shared with AI systems while safeguarding customer, commercial, and personal information.

Existing governance frameworks are being adapted for AI
Many organisations are adapting existing privacy, security, and data management frameworks to govern AI use, while others are relying on existing business processes and employee judgement as they develop more formal approaches.

Governance maturity varies across businesses
Governance maturity varies considerably across businesses. While some organisations have established AI policies, training programmes, and approval processes, others are still determining what employees can safely upload, share, and generate using AI tools.

"What I noticed is that I checked after about a week, and other people had access to all of my meetings... could read the transcript, and just had no security whatsoever."

AI adopter | Trade & Hospitality

"We've got it [AI], but we haven't actually created any products or anything with it."

AI adopter | Transport

"And that's [what you'd need in a policy] around what to enter and search things, what to save in different bits and pieces, what to upload, and how much personal business and client information is uploaded."

AI adopter | Business Services

"The biggest thing that we have to do now is check the work that AI has done."

AI adopter | Goods Production

Deep-dive into desired government guidance and support for AI

While businesses were broadly supportive of greater guidance around AI, what they wanted depended on where they were in their adoption journey. AI non-adopters and Planned AI adopters were looking for practical examples and clear starting points, while AI Adopters were more focused on governance, risk management, and responsible use.

Businesses want practical guidance on where to start

Many businesses expressed interest in AI but felt unsure how to begin, what good implementation looks like, or how AI applies to their business context. Practical, step-by-step guidance was seen as more valuable than financial support. Participants were split in their thinking as to whether this should be provided by the government or by private enterprise.

Businesses want practical examples and confidence-building support

Participants generally preferred practical, accessible resources that demonstrate how AI can be used effectively in everyday business settings. Building confidence through real-world examples was often seen as more valuable than extensive formal training.

Businesses want trusted guidance on responsible AI use

Participants felt the government could play a useful role by providing trusted information on privacy, security, risk management, and responsible AI adoption.

Businesses want flexibility rather than prescriptive rules

Participants generally felt governance guidance should remain high-level, recognising that AI use cases vary significantly between industries and business types.

"Some relevant examples that were really tailored specifically… that would be useful."

AI adopter | Goods Production

"Just really tangible that day-to-day business owners can just grab a hold of and go, 'oh, here's something that I could actually just try today in like 10 minutes'."

AI adopter | Business Services

"[Knowledge about] those outfits that probably aren't safe and give some pros and cons. That's always good, you can get that through your own research, but maybe if some investment was done into that, it would save people a bit of time and actually give them some reassurance."

AI adopter | Trade & Hospitality

"What I want from government is to provide the rules in which we can apply and they need to provide that clarity on the regulation… that's number one."

AI adopter | Goods Production

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THANK YOU

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