



Gallagher
INSURANCE



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AI in New Zealand – why judgement is your edge

Gallagher's **2026 AI Adoption and Risk Benchmarking Survey** shows that globally most businesses are now realising tangible productivity gains from AI but they're also grappling with skills gaps, governance demands and the realities of long term return on investment.

Larger New Zealand businesses are shifting from AI experimentation to practical deployment, benefitting from policy settings that are fostering innovation. The Government's light touch, risk based approach to regulation reflected in MBIE's **AI Strategy: Investing with Confidence** and the **Public Service AI Framework** is giving local businesses confidence to adopt AI responsibly, without the burden of prescriptive legislation.

It's an environment full of opportunity. But also, one where thoughtful, well-governed execution outperforms speed alone.

Justin Flitter, a leading AI business advisor and founder of **NewZealand.AI**, notes that global AI capability is doubling roughly every seven months. This pace of change highlights the scale of opportunity that exists. **Microsoft** estimates generative AI could add up to \$76 billion a year to GDP by 2038, but only if New Zealand businesses continue to strengthen their digital maturity, skills and governance.

Many large organisations are already moving quickly to capture the advantages AI offers. **Datacom's State of AI Index** shows that AI utilisation in New Zealand jumped from 48% in 2023 to 88% in 2025 among major enterprises. In contrast, a **2024 survey by Spark** found that small and medium-sized enterprises (SMEs) lag behind, with 68% indicating they had no plans to explore AI. This growing divide matters. For New Zealand to realise the full economic and productivity benefits of AI, businesses of every size need the skills and capability to utilise AI tools confidently and effectively.

This widening AI adoption gap is also emerging at a time when cyber and fraud risks continue to climb. The **National Cyber Security Centre** (NCSC) reported \$3.2 million in direct financial losses in Q4 2025 alone for New Zealand businesses, largely driven by phishing, business email compromise and sophisticated social engineering attacks. As businesses expand their digital capabilities, including the deployment of AI systems, their cyber risk increases. Cybersecurity is therefore not a separate issue from AI adoption, instead it is a critical enabler that safeguards innovation, supports resilience and helps businesses to realise the benefits of AI without inadvertently introducing new risks.



Competitive advantage now lies in how you use AI

For the first time, access to advanced technology is no longer a competitive advantage in itself. AI tools are inexpensive, accessible and increasingly standardised across markets.

As Justin Flitter notes, every organisation now has access to similar tools but not every organisation knows how to use them well. That means the competitive advantage for New Zealand businesses doesn't come from the software itself but rather from critical thinking, sound governance, clear decision making, and the capability to apply AI responsibly and effectively.

As many business owners and leaders have discovered, AI won't fix a broken process, it will simply accelerate it. Whether it accelerates value, or risk, depends entirely on the foundations beneath it.

AI delivers value when governance comes first

Gallagher's global findings echo what we see every day with our New Zealand clients. AI adoption is increasing, but maturity is uneven. Fewer than half of surveyed organisations from the 2026 AI Adoption and Risk Benchmarking Survey have a formal AI risk framework, robust governance structures, defined incident response processes or enterprise-wide training on AI risk and verification.

Locally, regulators have been clear about expectations with the **Office of the Privacy Commissioner**, highlighting the needs for privacy by design, Māori data considerations, transparency and human-in-the-loop controls. NCSC guidance has further reinforced the critical importance of ensuring AI training data, protecting model inputs and ensuring cyber resilience across the full AI lifecycle.

Whilst these requirements could be viewed as barriers, they're not. Rather they're enablers. Businesses that invest in such governance controls typically see faster returns on investment, smoother deployment and fewer unexpected consequences.

The outlook for AI

AI capability is accelerating globally. New Zealand's policy settings are supportive and the potential economic upside for businesses and the country is substantial. However, the businesses which will genuinely benefit are those that bring clarity, governance and critical thinking to their adoption approach.

That's where Gallagher brokers and cyber specialists can provide guidance, helping clients better understand and manage the opportunities and risks that come with adopting AI.

Talk to Gallagher

If you're exploring AI, strengthening governance, or assessing emerging risks, Gallagher can help you navigate what's changing and make decisions with confidence.

Let's talk about how you can adopt AI safely, responsibly and with real commercial impact.

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