

Position Paper 2026:

Championing Responsible and Inclusive Generative AI

Executive Summary

As TUANZ marks 40 Years championing a brighter digital future for every New Zealander, Aotearoa is at the threshold of a generational economic transformation. The adoption of Generative AI (GenAI) is no longer a future possibility but a current reality, with the potential to add \$76 billion to our economy by 2038. While we appreciate the Government's July 2025 Strategy, Investing with Confidence, we believe that the true "innovation edge" for our nation lies in becoming the world's most trusted adopters of AI.

Aligning with our 2026 Action Plan, TUANZ advocates for a future where GenAI is used responsibly, inclusively, and ethically. By building a robust social licence through transparency and fairness, we can ensure that every New Zealander benefits from increased productivity, better services, and enhanced creativity.

The Current Landscape

New Zealand has made significant strides in its AI journey, moving from early experimentation to widespread interaction.

- **High Public Exposure:** 77% of New Zealanders have knowingly interacted with AI-powered services in the last year, particularly through customer service chatbots and virtual assistants.
- **A Strategic Foundation:** The release of the National AI Strategy in July 2025 signaled strong government support for private sector investment and a commitment to the OECD AI Principles.
- **The Trust Gap:** Despite high usage, a significant "trust deficit" remains; 62% of Kiwis say they would stop using a company if they had concerns about how AI was being used, citing misuse of personal data and unfair decision-making as top worries.
- **The SME Lag:** While large enterprises are accelerating, 68% of New Zealand SMEs still have no plans to invest in AI, often due to perceived complexity and a lack of clear ROI.
- **Emerging Risks:** AI is a "double-edged sword," providing defensive tools while also powering more sophisticated, personalised cyber-attacks and deepfakes.

Our Position

TUANZ stands as the strong independent voice for users navigating a digital world. We assert that trust is the currency of the AI economy. Consistent with our Action Plan for 2026, our position is that Aotearoa must lead the world in Responsible Generative AI. We believe that for AI to be truly inclusive, it must be fair, unbiased, and culturally responsive, including respect for the principles of Te Tiriti o Waitangi and Māori Data Sovereignty. We advocate for a "human-centred" approach where technology amplifies rather than replaces human connection, ensuring that no New Zealander is left behind by an "AI divide".

Recommendations for Action

To unlock the full national benefits of AI while protecting user safety, TUANZ recommends the following four actions:

- **Invest in our own AI capabilities:** The Government, while supporting the global tech companies who invest in NZ, must "be brave" and invest in our own AI capabilities, including providing state-backed AI services to ensure the domestic research sector remains globally competitive.
- **Mandate "Algorithmic Explainability" for High-Stakes Uses:** The Government should transition from "soft law" principles to targeted regulatory interventions for high-risk AI. Organisations using AI for life-impacting decisions (e.g., in banking, health, or government services) must be required to provide a clear, non-technical explanation of the logic used, ensuring no decision is a "black box".
- **Establish a National "Human-in-the-Loop" Standard:** Research shows that 74% of Kiwis feel more comfortable with AI when they know a human can step in. We want to see an industry standard that guarantees seamless escalation pathways to human support, ensuring that automated systems always have human oversight to correct "hallucinations" or biased outputs.
- **Launch an "AI Readiness" Resource Hub for SMEs:** To bridge the adoption gap, TUANZ offers to work with Government and others to compile a practical toolset and webinar series specifically for SMEs. This work should focus on demystifying GenAI, providing ethical usage templates, and helping smaller businesses move from hesitation to responsible implementation.

Conclusion

The responsible adoption of Generative AI is more than a technical challenge; it is a national opportunity to build a more productive, equitable, and resilient Aotearoa. By moving beyond high-level principles toward active agency and enforceable guardrails, we can ensure that New Zealanders interact with AI with confidence rather than caution. The benefits include an estimated \$76 billion economic boost and world-leading digital services. TUANZ is committed to championing this vision, ensuring that the digital future of Aotearoa is powered by AI that is as safe and trusted as it is innovative.