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NEW ZEALAND

Recommendation: Ensure New Zealand retains access to leading AI models

Key points

- Leading AI models are becoming core economic infrastructure and a core input to New Zealand's cyber defences, but New Zealand's access is not guaranteed: in June 2026 the US cut off foreign access to one of the most capable models overnight.
- We recommend the government assess New Zealand's exposure and report on options for securing access to leading models.
- Getting this right protects the economic growth and productivity gains the Government's AI Strategy is designed to deliver and provides the opportunity to develop the defensive capability to prevent novel cyberattacks. Being locked out risks the opposite.

Why it matters

Frontier AI models are becoming core economic infrastructure. The Government's own strategy states: "For New Zealand, the choice is clear. Either we embrace AI or risk being left behind." The strategy cites research that AI could add $76 billion to the New Zealand economy by 2038 – over 15 percent of GDP. If frontier models increasingly drive productivity, access to them may become as economically important as access to cloud computing, international labour markets or global financial services.

Access to frontier models is also increasingly necessary for cyber defence: the response to newly-found software vulnerabilities depends on defenders having tools at least as good as the attackers. The National Cyber Security Centre has said publicly it is accessing frontier models to inform its advice to New Zealand organisations, and a future AI Safety Institute could not evaluate models it cannot access.

That access is not guaranteed. In June 2026, the US Commerce Department directed Anthropic to cut off foreign access to its most capable models Fable and Mythos. New Zealand was cut off with no notice, and access was restored only 19 days later – setting a precedent for similar action in future.

New Zealand builds no leading AI models of its own. Being an adopter rather than a developer is sensible for a small nation, but it leaves us dependent on continued access to models built elsewhere. If advanced AI concentrates economic power in the countries and companies that control it, the question for New Zealand is whether we share in the gains or are excluded.

What we're proposing

We recommend the Government assess and report on:

- New Zealand's current and projected dependence on frontier AI – which models, providers, jurisdictions and infrastructure we rely on.
- The scenarios in which access could be restricted and the potential economic cost and security consequences to New Zealand.
- The options for securing access: through our trade and diplomatic relationships, digital trade agreements, alignment with partners' security expectations, and standing as a trusted adopter.
- What smart adoption requires domestically: data infrastructure, skills and the government's own uptake.

Access to leading AI models should then be embedded as a standing consideration in New Zealand's trade and foreign policy agenda. This should include durable access arrangements for New Zealand's cyber and security agencies and an AI Safety Institute, once established.

The opportunity for New Zealand

The countries that will do best in a world of restricted leading AI models will be those that saw it coming and planned for it. New Zealand can be early among small states in treating access as a strategic priority rather than an assumption.

New Zealand already does this for fuel, another critical economic input we import: the government has a Fuel Security Study, a Fuel Security Plan and a 2026 Fuel Response Plan. Leading AI models are becoming a similarly critical input, supplied entirely from offshore on terms set offshore, and warrant a fraction of the same attention given to fuel – starting with the government assessment proposed here.

Getting this right protects the economic future the AI Strategy aims to deliver – the $76 billion opportunity assumes the leading models are available to us.

How it could be done

The first step is a direction to officials and a report to Cabinet to understand the risk and develop a plan.

The government and an AI Safety Institute, once established, could monitor and advise on regulatory and commercial developments overseas (including those that may limit access for New Zealand).

The findings should feed into New Zealand's trade negotiations, digital economy agreements and bilateral engagement with the US and other leading states.

This is not a proposal to build a sovereign leading AI model in New Zealand or take a position against any country's export policies. We propose rather that the government understand New Zealand's exposure to a new strategic economic input and plan for it, as it would for any other critical input to the economy.

International precedent

Other small and middle powers are treating access to leading models as a strategic risk – negotiating memoranda of understanding and safety-institute access agreements with model providers, investing in domestic data centres and national models, and positioning themselves as trusted partners.

On 1 April 2026, the Australian Government signed a memorandum of understanding with Anthropic. It provides for technical exchanges with Australia's AI Safety Institute to build a shared understanding of emerging AI capabilities, opportunities and risk.

Frequently asked questions

Access to Fable was restored quickly – wasn't this a one-off? The controls were lifted after 19 days, but the legal precedent and the underlying motivation for the restriction remain. We cannot be confident that this was a one-off event.

Isn't this already covered by the AI Strategy? No. The AI Strategy is about encouraging uptake and it assumes the models will be there. This is about what happens if they aren't and what New Zealand can do to make sure they are.

Doesn't pushing for AI safety cut against wanting maximum access? No, for two reasons. First, AI presents a range of risks that warrant different responses. The risk of serious harm from advanced AI is real, and so is the risk that New Zealand is shut out of the productivity gains and left behind. A government planning for New Zealand's future has to manage both concerns.

Second, safety and access reinforce each other, rather than compete. For example, defending against AI-enabled attacks requires capability at least equal to what attackers will have. The June 2026 restrictions were imposed because of safety concerns; if access to leading models is increasingly limited to trusted partners, countries that can demonstrate responsible use may be best placed to retain access.