

Societal destabilisation

Key points

- Misinformation, deepfakes and AI system failures are beginning to undermine New Zealanders' trust in each other, companies and the government.
- AI-generated deepfakes and disinformation are a growing threat to New Zealand's elections.
- AI is beginning to displace entry-level roles, and is likely to widen inequality and displace many more workers in coming years.
- These trends may increasingly undermine New Zealand's social cohesion and core institutions.

Advanced AI threatens not only individuals but the shared systems our country depends on: its institutions, jobs and trust in a common set of facts. This brief sets out how these risks could together undermine societal stability in New Zealand.

Misinformation

As AI tools improve, they may increasingly undermine New Zealanders' trust in each other and in our institutions. Deepfake audio, imagery and video are the most pressing problems: criminals can now copy a person's voice from a short recording to [impersonate relatives and defraud their victims](#), or pose as government officials and legitimate companies.

As fakes spread, genuine recordings and reporting are increasingly doubted. In early 2026, AI-generated images of January's fatal [Mount Maunganui landslide](#) misled people during a national disaster, while genuine footage was dismissed as fake.

Over time, such incidents may make it harder for the government to communicate credibly, for courts to assess evidence, and for the public to hold politicians to account. The public may also become less able to tell what is real, and less willing to trust the people and institutions they communicate with.

Misinformation can also arise when chatbots provide false information:

- A chatbot deployed by Air Canada [invented a refund policy](#) for which the company was later found liable.
- Deloitte's use of AI in preparing a report for Australia's Department of Employment and Workplace Relations led to [inclusion of an invented court quote and non-existent citations](#), prompting Deloitte to refund most of the fee it was paid for the report.

Mistakes like this can erode the public's trust in major companies and government institutions, and individual reliance on chatbots for everyday answers could lead to common mistakes and biases in those systems shaping what large numbers of people believe.

Risks to democracy

AI-generated content is already circulating in New Zealand politics, and overseas elections show how quickly it can be weaponised.

- Recently, fake news pages have published [deepfake videos](#) claiming to show New Zealand politicians making policy announcements.
- In 2024, [a fake video of Kamala Harris went viral](#) ahead of the US presidential election and calls using an AI-cloned voice of President Biden [tried to stop people voting](#).
- In one controlled trial, a leading AI model was [more persuasive than paid human persuaders](#). If deployed at scale, automated [networks of such bots](#) could soon target millions of voters at once.

AI is also increasing the risk of cyberattacks on the institutions around an election. In 2021, hackers linked to the Chinese government [breached parliamentary computer networks](#) and in June 2026, New Zealand's National Cyber Security Centre [joined its Five Eyes partners](#) in warning that AI is accelerating this kind of threat. The Electoral Commission recently announced it has been taking steps to [secure its systems against AI-enabled threats](#) ahead of November's election.

Economic disruption

AI research is on track to create agents that can work independently at superhuman levels and robotics companies may eventually produce machines that replace most physical labour. This is the [explicit goal](#) of leading AI companies,¹ which have invested [trillions of dollars](#) in pursuing it.² If they succeed, many existing jobs could be replaced quickly, with serious consequences for social cohesion.

Early evidence has identified impacts on particular workers and occupations:

- The Reserve Bank's [February 2026 assessment](#) found exposure to AI and robotics is currently concentrated in professional, managerial and administrative roles in the \$50,000 to \$150,000 income band, with around 30 percent of workers highly exposed.
- Employment in AI-exposed occupations, such as software development and customer service, has [declined for younger workers in the US](#) and for [junior staff at high-exposure UK firms](#).
- Within four months of ChatGPT's release, one online labour platform saw a [decline in employment and wages of freelance writers](#).

This evidence is contested – for example, a May 2026 working paper [attributes most of the junior-hiring effect to remote work](#). However, the absence of a clear signal now is not strong evidence that none is coming. Due to practical barriers to adoption, we should expect macroeconomic effects to follow the emergence of new AI capability by months or years.

If developers succeed in replacing most, or even some, human labour, reform of New Zealand's economic, tax and labour market policy would be needed, and that requires planning and public debate before the disruption arrives. As a small, trade-exposed economy, we will buy the systems that replace that labour rather than build them, and may experience major economic upheaval if we are not prepared.

What New Zealand can do

The government should act now. Priorities include:

- Enhanced laws on the use of deepfakes and clearer accountability for AI misinformation errors.
- [Increasing the AI safety and security capability](#) of the National Cyber Security Centre, Electoral Commission and other government agencies.
- Monitoring AI's effects on New Zealand jobs and preparing a labour market transition plan.

Our accompanying [policy papers](#) set out these and other steps in detail.

¹ For example, OpenAI has announced its intention to [have a fully automated AI researcher by 2028](#), Microsoft AI CEO Mustafa Suleyman has announced Microsoft is working towards [human-centred superintelligent AI](#), and Anthropic CEO Dario Amodei expects AI to be like having ["a country of geniuses in a datacentre"](#) within the coming decade.

² Aljazeera [reports](#) that total investment in AI over 2013-2024 was \$1.6 trillion globally and is on track to include a further \$2.5 trillion in 2026.