



# Microsoft New Zealand Economic and Social Impact Report

2025 Financial Year

*April 2026*

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# Executive summary

Microsoft has helped lead the world in computing for decades, shaping how organisations create, share and use information.<sup>1</sup> In New Zealand, that leadership is reflected in a platform that is embedded in everyday work and backed by a tangible national footprint, including offices, datacentres and a large ecosystem of partners and customers.<sup>2</sup>

Microsoft's economic contribution in 2025 flows through three connected pathways. First, Microsoft's operations, investments, and infrastructure directly and indirectly contributed approximately \$1.8 billion and supported 4,600 jobs. Second, it's cloud ecosystem directly and indirectly contributed an estimated \$7.6 billion and supported 49,700 jobs. Third, Microsoft's Azure AI, Teams and Copilot products enabled up to \$3.4 billion in productivity gains as New Zealand organisations began to leverage AI to transform their work.

These results reflect the economy-wide impact of Microsoft on growth, jobs, and productivity realised through tools used at scale across New Zealand workplaces. As cloud and AI adoption deepens, Microsoft's established presence, infrastructure investment and partner-driven delivery model position it to continue supporting productivity uplift and broader economic outcomes over time.

## 4,600 FTE jobs

generated by Microsoft, including 342 direct employees and 4,300 direct and indirect construction jobs, plus indirect jobs associated with Microsoft's operations.

## 49,700 FTE jobs

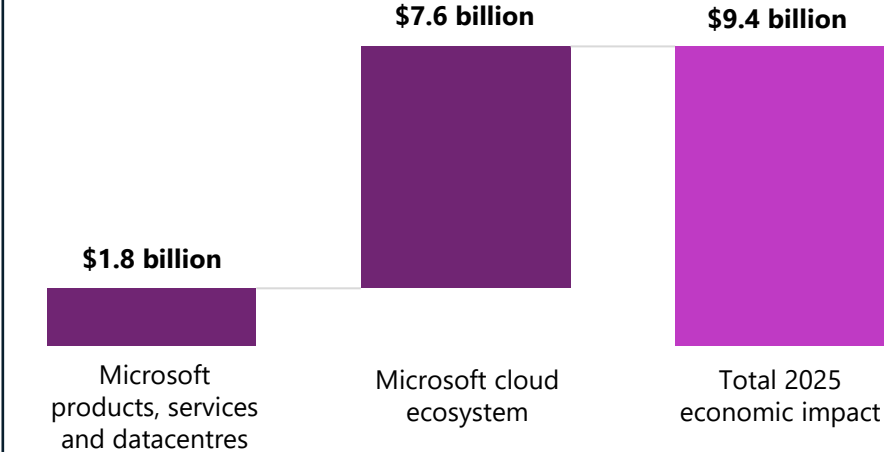
sustained by Microsoft's cloud partner and customer ecosystem, across partner and customer workforces and their supply chains.

Sources: <sup>1,2,4,5</sup> Microsoft (2026); <sup>3,6</sup> EY-Parthenon analysis; <sup>7</sup> Forrester research; <sup>8</sup> Beehive (2025)

## Economy-wide impact

**\$9.4 billion**

Through its digital services, cloud platform and supporting investments, Microsoft generated the following estimated economic contribution in New Zealand in 2025, with impacts extending well beyond its physical footprint.<sup>3</sup>



Beyond its economic contribution, Microsoft delivers social benefits by supporting New Zealand's digital capability and resilience. Its initiatives focus on building digital skills, supporting small and medium businesses, and enabling non-profits and community organisations to operate more effectively, as exemplified by the case studies and analysis in this report.<sup>4</sup>

Through secure cloud and digital services, Microsoft also helps organisations protect data, improve productivity and scale service delivery. Together, these activities support broader participation in the digital economy and contribute to New Zealand's longer-term digital readiness.

## Productivity benefits

**\$3.4 billion**

In 2025 Microsoft is estimated to have enabled up to \$3.4 billion in economic value through productivity gains, as New Zealand businesses use Azure AI, Copilot, and Teams to save time and work more efficiently.<sup>6</sup>

- Improves productivity for data engineers by 60%
- Saves users an estimated 9 hours per month
- Saves workers up to 8 hours per week<sup>7</sup>

The New Zealand Government has identified AI adoption as a critical lever to lift productivity and strengthen the economy's competitiveness.<sup>8</sup> Realising this opportunity will depend on sustained investment in skills, organisational change, and the responsible deployment of AI across the economy.



# Introduction

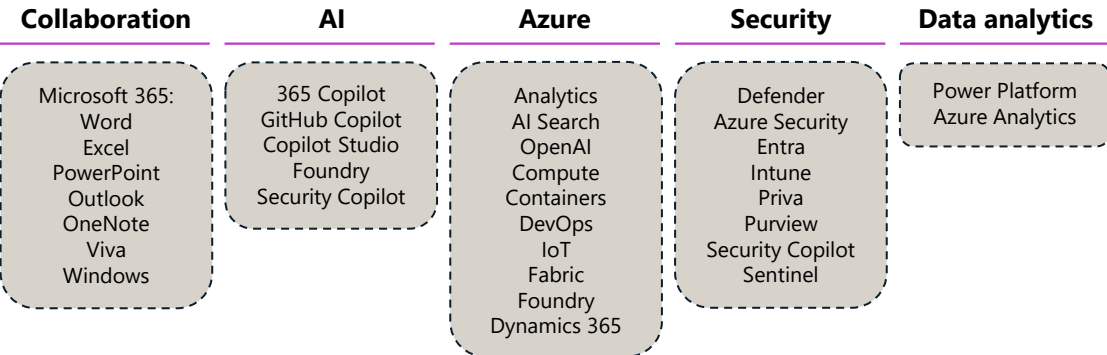
New Zealand and the world are in the middle of a step-change in digital capability. Cloud computing, data infrastructure and artificial intelligence (AI) are shifting from specialist IT tools to general-purpose inputs that shape how organisations run, how services are delivered, and how quickly new ways of working spread across the economy.

Microsoft sits at the centre of this shift. As a global technology company, Microsoft has helped shape successive waves of workplace and enterprise computing, and its products are used across business, government, education and households. For many New Zealanders, Microsoft is part of the everyday fabric of work and study, from creating documents and spreadsheets to coordinating work and sharing information across teams.

What makes Microsoft economically significant is the breadth of the platform and the way it enables activity well beyond its direct footprint. Microsoft's ecosystem spans routine productivity tools, collaboration, cloud computing and an expanding suite of AI capabilities. The value created through these capabilities is realised through multiple channels: direct operations and investment, the enabling infrastructure that supports cloud and AI workloads, and the partner and customer ecosystem that builds, implements and runs solutions on Microsoft technologies across the economy.

In New Zealand, Microsoft's presence provides a practical platform for how a global digital platform translates into local outcomes. It spans offices and an expanding datacentre footprint, as well as a large partner and customer ecosystem that supports the adoption and diffusion of AI capability across the economy.

Figure 1. Overview of Microsoft's core products  
Source: Microsoft (2026)



## Purpose of this report

Microsoft engaged EY to examine Microsoft's contribution to the New Zealand economy in 2025, focusing on the different ways Microsoft's presence, infrastructure and ecosystem translate into economic and social outcomes in New Zealand.

Specifically, this report looks at:

- Economic activity and jobs (Microsoft generated and through the ecosystem):** Microsoft supports economic activity through its New Zealand operations and local procurement, and sustains wider activity through a partner and customer ecosystem that builds, implements and runs solutions on Microsoft technologies.
- Digital infrastructure and investment:** Microsoft's datacentre activity and investment expand computing capacity and support demand for cloud and AI workloads, with flow-on effects through construction and supply chains
- Productivity, capability and resilience:** Microsoft technologies reduce time spent on routine tasks and coordination (including Teams, Copilot and Azure AI), while initiatives and technologies that build skills and strengthen cyber resilience support broader participation in the digital economy.
- Social outcomes:** Microsoft's community initiatives and technologies help non-profits and community organisations operate more effectively, strengthening their social impact.

Impacts are estimated using established economic modelling, combining Input-Output analysis for direct and supply-chain effects with an ecosystem approach for partner and customer impacts, and a productivity approach to value time savings from Microsoft tools. The analysis was prepared in conjunction with Microsoft, which provided qualitative content such as case studies, customer stories, regional employment breakdowns and examples of social initiatives.



# Microsoft drives a growing New Zealand ecosystem of offices, datacentres and partners

Microsoft's New Zealand footprint spans:

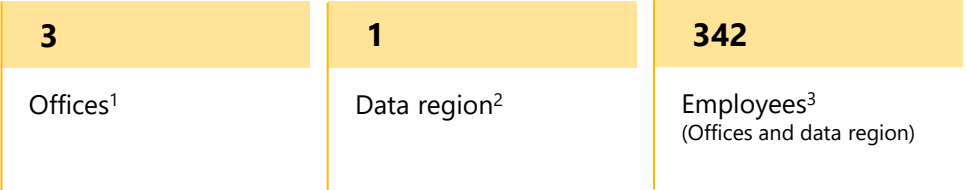
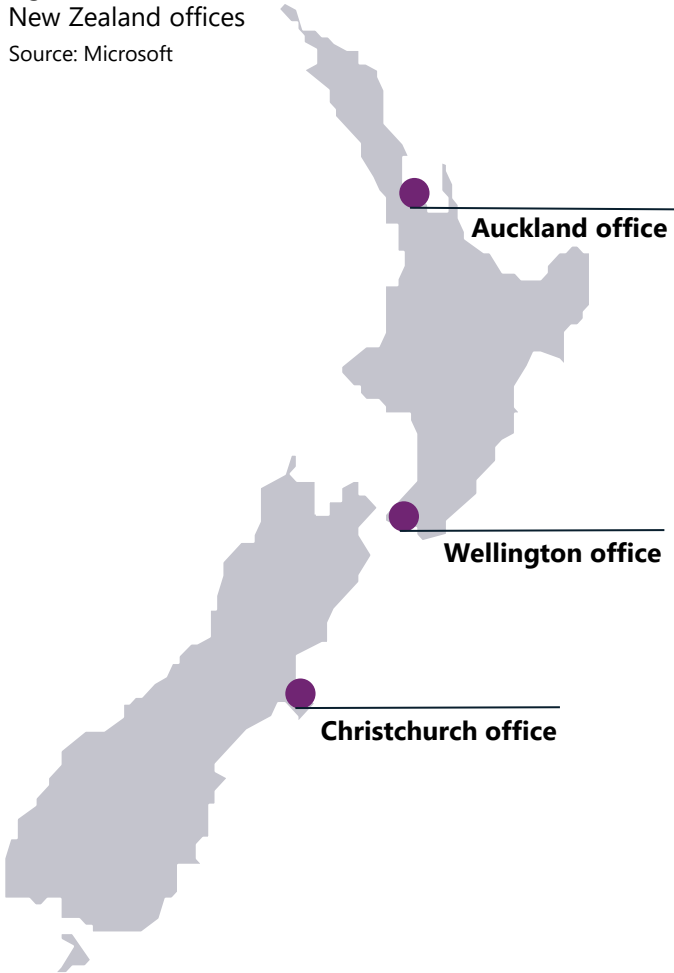


Figure 2. Microsoft's New Zealand offices  
Source: Microsoft



The New Zealand ecosystem includes more than:



**Expanding national computing capacity**

Microsoft launched New Zealand's first hyperscale cloud region in 2024 – the Azure North region in Auckland. This region includes three availability zones which are distinct physical locations with independent power, cooling and network infrastructure. The region enables data to be stored and processed onshore, while remaining connected to Microsoft's global cloud network. This provides New Zealand organisations with data at rest of residency for core online services, enhanced security and reduced latency, alongside access to global integrated cloud and AI services that support scale and resilience. The cloud region is expected to support sustainable economic growth by relying on 100% carbon-free electricity.<sup>4</sup>



Note: All figures are in New Zealand dollars.  
Sources: <sup>1,2,3</sup> Microsoft; <sup>4</sup> Microsoft (2026)

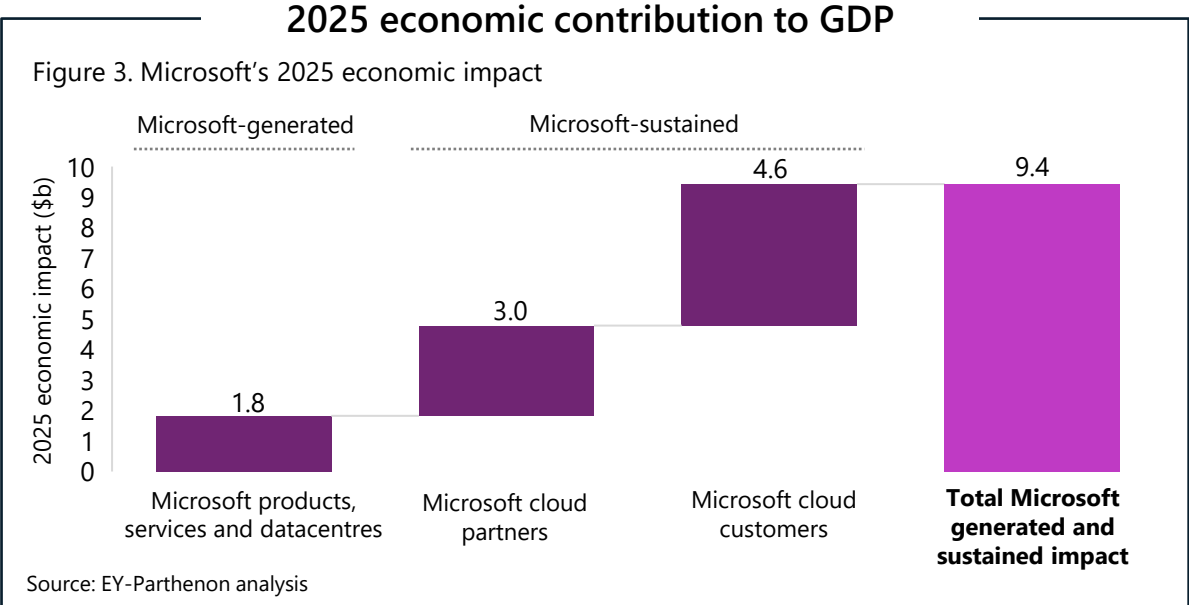
# Microsoft contributes \$9.4 billion to New Zealand's economy through its operations, datacentre developments, and a partner-to-customer value chain

**Microsoft-generated: \$1.8 billion**

Microsoft's estimated contribution to national gross domestic product (GDP), capturing activities directly linked to Microsoft's production of its products and services, investments in datacentres, and the supply chain activities across the economy.

**Microsoft-sustained: \$7.6 billion**

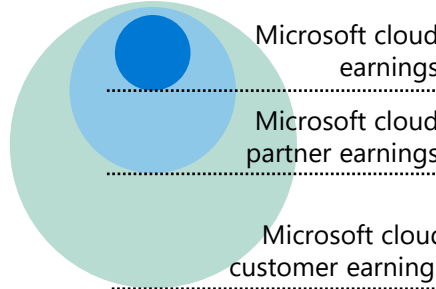
Microsoft-sustained estimated GDP contribution from cloud partners and customers, driven by the earnings of partners and customers leveraging Microsoft technologies, as well as the downstream supply chain activities of this ecosystem.



### Microsoft's cloud ecosystem

Microsoft operates a partner-driven organisation in which partners customise and sell Microsoft's cloud services. This model amplifies economic activity beyond Microsoft's direct revenues partner revenues generated from delivering Microsoft solutions are significantly larger than Microsoft's cloud revenue, while the revenues earned by customers using those solutions are amplified further.

Figure 4. Cloud dividend method illustration



Source: IDC

Notes: Figures are presented in New Zealand dollars; 2025 refers to the financial year ended 30 June 2025; economic impacts are estimated using Input-Output modelling, including direct and indirect impacts for gross value-added; the estimated cloud ecosystem earnings and economic impacts are attributed to the implementation of cloud solutions only, linked to the IDC Cloud Dividend Methodology. Microsoft-generated impacts for products, services and datacentres are attributed to Microsoft New Zealand Limited and Microsoft 6399 New Zealand Limited, and include datacentre operational and construction activity captured as separate modelling inputs. Modelling excludes overlap between Microsoft-generated, partner and customer impacts to avoid double counting. Refer to the Appendix for the economic impact methodology.

# Jobs supported across operations, supply chains and the cloud ecosystem

## 2025 employment impacts

Microsoft-generated:

**4,600 jobs**

Estimated full-time equivalent (FTE) jobs generated by Microsoft and its local supply chains

Microsoft-sustained:

**49,700 jobs**

Estimated FTE jobs sustained by Microsoft's cloud partners and customers, as well as their supply chains

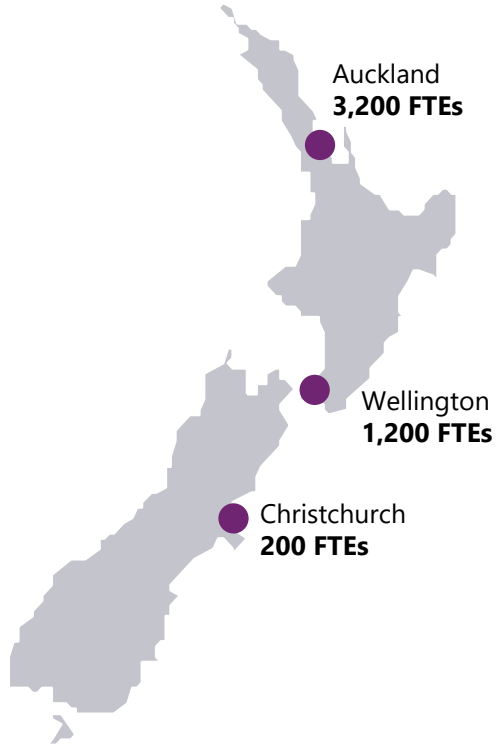
### Jobs supported across New Zealand through Microsoft-enabled activity encompass:

- Microsoft direct jobs**  
Employment across Microsoft's New Zealand offices and datacentres, for both tech and non-tech roles.
- Microsoft indirect jobs**  
Employees of Microsoft's supply chain which include industries such as transport and manufactured goods which are key inputs into Microsoft's operations and datacentre construction. These jobs wouldn't exist without Microsoft.
- Cloud ecosystem direct operational jobs**  
Employees of organisations in the Microsoft-sustained cloud ecosystem, including cloud partners and customers whose core activities rely on Microsoft technologies.
- Indirect jobs sustained by its cloud ecosystem**  
Employees in Microsoft's cloud partners and customers, including professional services, manufactured and traded goods, and transportation, supported by broader economic activity generated by demand for inputs across this ecosystem.

Microsoft's estimated employment impact (4,600 FTEs) includes jobs required to support office and datacentre operations, and production of all supply chain inputs.



Figure 5. Microsoft-generated New Zealand employment impact, 2025 operations  
Source: EY-Parthenon analysis



Notes: Jobs are expressed as FTE employment across the value chain (direct and indirect); 2025 refers to the financial year ended 30 June; economic impacts are estimated using Input-Output modelling, including direct and indirect impacts for employment; the estimated cloud ecosystem earnings and economic impacts are attributed to the implementation of cloud solutions only, linked to the IDC Cloud Dividend Methodology; overlap between partner and customer impacts have been excluded. Refer to the Appendix for the economic impact methodology.

# Partners and customers together drive Microsoft's economic impact in New Zealand

**The Microsoft partner ecosystem continues to be at the centre of how Microsoft delivers technology, services, and cloud-to-edge solutions that enable business transformation for customers across New Zealand.**

Microsoft functions as a partner-driven organization, with partners playing a key role in Microsoft's heritage and future. Microsoft's contributions support transformation and customer success globally. Microsoft has the largest partner ecosystem in the industry, comprising 500,000 partners worldwide and more than 1,800 across New Zealand.

Microsoft AI Cloud Partner Program (MAICPP) has been developed to equip partners with essential tools and resources to succeed in a fast-evolving market and help achieve positive results for customers across various industries.<sup>1</sup> Microsoft partners, such as entrepreneurs, non-profits, startups, and tech firms, develop cutting-edge solutions for New Zealand businesses, driving digital transformation in workplaces and empowering organizations across the country to reach their full potential.

Microsoft's operations created **\$1.8 billion** in economic value, supporting **4,600 FTEs** across its direct footprint and supply chain.



Microsoft's cloud ecosystem spans more than **1,800 partners** and **430,000 customers** across New Zealand, generating **\$7.6 billion** in economic value and supported **49,700 FTEs**.



Together, Microsoft's operations and cloud ecosystem generated **\$9.4 billion** in total economic value and supported **54,300 FTEs** in New Zealand.

Sources: <sup>1</sup> Microsoft (2026)

# Capturing economy-wide potential value by placing AI at the heart of New Zealand businesses

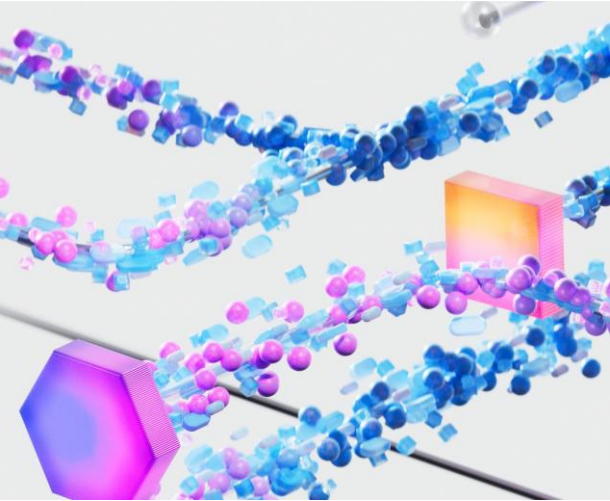
## From quick wins to deep transformation: the next wave of AI impact

Artificial intelligence (AI) adoption is unfolding in two distinct waves. The first wave delivered quick wins, streamlining everyday tasks and freeing up time for higher-value work. By 2024, an estimated 84% of knowledge workers in New Zealand already use AI at work in some capacity.<sup>1</sup> The second wave is far more transformative, reshaping workflows, products, and core decision-making. While AI adoption is widespread, less than half of ANZ organisations feel confident for the level of change required to fully realise its impact.<sup>2</sup>

Capturing these deeper productivity gains requires more than technology adoption alone; it depends on deliberate leadership, new operating models, and clear strategies for scaling AI responsibly. Consistent with this, the New Zealand Government emphasises that AI goes beyond quick wins, driving transformation by enabling organisations to make better decisions and optimise complex systems.<sup>3</sup> However, New Zealand's Treasury warns that historically slow technology adoption and low investment could constrain these gains.<sup>4</sup>

**Microsoft enables this transition** through its technology platform, cloud infrastructure investments, and contributions to digital skills development in New Zealand, collectively supporting organisations as they scale AI. However, realising AI's full value also depends on how organisations lead, invest in capability, and reshape processes around these tools.

As AI adoption accelerates globally, strengthening these capabilities can also help New Zealand organisations maintain competitiveness in international markets, particularly in sectors where digital performance and innovation are becoming key drivers of advantage, such as manufacturing and financial services.<sup>7</sup>



## The potential future value of AI in New Zealand

**Up to \$102 billion annually by 2038<sup>5</sup>**

Accenture modelled three potential AI adoption pathways in New Zealand, ranging from slow to rapid business uptake. By 2038, annual economic benefits could reach between NZ\$39 billion and NZ\$102 billion, highlighting AI's potential to materially lift national GDP through productivity. The scale of this uplift depends on how quickly and widely businesses adopt AI. Under the central scenario, GDP per capita rises by 14% to NZ\$114,000, narrowing the gap with Australia.<sup>6</sup>



Notes: The potential future economic value of AI adoption is standalone and not included in Microsoft's estimated economic contribution. Sources: <sup>1</sup> Mandala and Microsoft (2024); <sup>2</sup> Microsoft; <sup>3</sup> New Zealand Government (2025); <sup>4</sup> Treasury (2024); <sup>5,6</sup> Microsoft and Accenture (2024); <sup>7</sup> AI Forum New Zealand (2025)

# Capturing the opportunity, spreading the benefits and keeping New Zealanders safe

## Structural advantages position New Zealand for datacentre growth

New Zealand's datacentre market has not yet developed to its full potential, despite rising demand for cloud computing, AI workloads and digital services.<sup>1</sup> In 2025, New Zealand's datacentres hosted 125 MW of capacity, representing roughly 0.15% of global datacentre capacity – below its 0.3% share of global GDP.<sup>2</sup> This suggests New Zealand remains under-represented in global datacentre infrastructure, presenting an opportunity for expansion.

Demand for datacentres is expected to accelerate in the future with New Zealand's cloud storage market projected to grow by 16% per year to 2033.<sup>3</sup> New Zealand is in a prime position to capitalise on this opportunity. Its growing share of renewable electricity, stable political and regulatory environment, and improving international network connectivity are aligned with key location requirements of datacentre operators.<sup>4</sup> These attributes position New Zealand as a credible destination for future datacentre investment, particularly as global developers seek low-carbon, reliable locations to support AI-driven compute demand.

Boston Consulting Group estimates that, if New Zealand capitalises on these advantages, datacentre development could unlock up to NZ\$70 billion in economic activity between 2025 and 2035, through the construction and operation of datacentres and associated investment in renewable energy.<sup>5</sup> This estimate is based on the development of approximately 600 MW of new compute capacity, highlighting the scale of the opportunity if New Zealand attracts a modest share of global growth.

Microsoft responded to New Zealand's datacentre opportunity by establishing the first hyperscale datacentre region in New Zealand, which strengthens local cloud and AI capability and enables organisations to adopt and scale digital technologies.<sup>6</sup> The investment is also underpinned by a strong sustainability focus, with the datacentre region to be powered by 100% renewable energy and will be the world's first 100% water-positive datacentre region.<sup>7</sup> These commitments align with Microsoft's Datacentre Community Pledge, which is focused on building and operating digital infrastructure that delivers lasting benefits for local communities.<sup>8</sup>

As AI adoption increases across the New Zealand economy, the New Zealand Government is supporting its uptake through policy guidance, planning frameworks and regulatory initiatives focused on responsible use:

- The **Responsible AI Guidance for Businesses** provides a practical framework to help organisations adopt and use AI responsibly, with a focus on governance, risk management, and building trust.<sup>9</sup>
- **New Zealand's Strategy for Artificial Intelligence: Investing with Confidence** emphasises AI adoption and application by taking actions to address key barriers of AI uptake.<sup>10</sup>
- The **Responsible AI Guidance for the Public Service: Generative AI (GenAI)** supports public sector agencies to explore and adopt generative AI in a safe, transparent and responsible manner.<sup>11</sup>

Microsoft globally utilises the **National Institute of Standards and Technology AI Risk Management Framework**, a framework created by the United States government to help organisations identify, assess and mitigate AI-related risks and has been accepted by many global organisations.<sup>12</sup>

Data sovereignty is becoming a central concern for governments and organisations globally. Gartner estimates that 35% of countries will adopt region-specific AI platforms by 2027.<sup>13</sup> In response, Microsoft has embedded data sovereignty into its AI operations — defining it as the ability to access the full benefits of the global cloud, including leading AI models, while providing transparency over where data is stored, who can access it and how it is managed.<sup>14</sup>

Note: Datacentre capacity refers to the power capacity that datacentres draw from the grid. Sources: <sup>1,2,4,5</sup> Boston Consulting Group (2025); <sup>3</sup> Datacube (2025); <sup>6,7,8,14</sup> Microsoft (2026); <sup>9,10,11</sup> New Zealand Government (2025); <sup>12</sup> Microsoft Responsible AI Transparency Report (2025); <sup>13</sup> Gartner (2026)



# Capturing the productive power of AI

AI-driven productivity gains have the potential to support substantial future economic growth. These gains typically arise through<sup>1,2</sup>:

**Automation**

Speeding up routine tasks, enabling workers to produce more within the same time

**Augmentation**

Elevating the quality and complexity of work that can be completed with existing labour supply and within existing timeframes

**Innovation**

Embedding AI in new products and services, such as virtual assistants and wearables, unlocking new industries, jobs and sources of value

**New Zealand's productivity performance has stalled in recent years**, with industry multifactor productivity falling by 0.9% in March 2024 from the year prior.<sup>7</sup> Manufacturing and professional services were key drivers, each accounting for around 10% of GDP in 2023.<sup>8</sup> This stagnation weighs on economic growth, suppresses wages and incomes and dampens consumer spending.

Investing in AI is seen as an effective way to lift productivity. The Official Monetary and Financial Institutions Forum found that investment in technology delivers stronger productivity gains than consumption-based investment.<sup>9</sup> By improving labour efficiency, lowering production costs and lifting output quality, AI is expected to drive productivity gains across industries such as manufacturing and financial services.<sup>10</sup>

## Microsoft's \$3.4 billion productivity value

Microsoft is estimated to have generated up to \$3.4 billion in economic value in time savings during 2025, from productive enhancements linked to Microsoft's Azure AI, Copilot, and Teams.<sup>3</sup>

**Azure AI** unlocks productivity by increasing the quality and scalability of business AI models, enabling automation of complex decisions. Forrester Research found that Azure AI improves labour productivity, with a team of 10 data engineers able to achieve output comparable to a team of 16 without Azure AI, increasing overall productive capacity.<sup>4</sup>

**Copilot** automates routine tasks such as drafting emails, summarising meetings, generating reports and data analysis across finance, legal and HR and other functions, saving users an estimated 9 hours per month.<sup>5</sup>

**Teams** integrates seamlessly with Microsoft 365 to strengthen collaboration and improve access to information, saving workers up to 8 hours per week depending on the role, including around 2 hours per week from reduced conferencing time.<sup>6</sup>



Notes: Figures are presented in New Zealand dollars. Refer to the Appendix for the productivity benefit methodology.  
 Sources: <sup>1</sup> Tech Council of Australia (2023); <sup>2</sup> AI Forum New Zealand (2025); <sup>3</sup> EY analysis; <sup>4</sup> Forrester Research (2023);  
<sup>5</sup> Forrester Research (2025); <sup>6</sup> Forrester Research (2019); <sup>7,8</sup> Stats NZ (2025); <sup>9</sup> OMIF (2025); <sup>10</sup> AI Forum New Zealand (2025)



# Customer stories: turning Microsoft AI into productive value

The following Microsoft customer experiences highlight the power of AI and uses across industries from professional services to major retailers, enabling greater focus on higher value tasks.

## PGG Wrightson improves efficiency of livestock audits<sup>1</sup>

Livestock counting is traditionally a labour-intensive and costly task for farmers. To improve efficiency, agricultural services provider PGG Wrightson partnered with Microsoft New Zealand to develop SkyCount, a drone-based solution using Microsoft Azure and Power Apps to automate livestock counting.

Azure processes thousands of images to train the AI model to identify livestock accurately, while Power Apps integrates farm data with drone outputs to generate audit reports. Together, these technologies deliver substantial efficiency gains, enabling livestock counting to be completed in minutes by a single drone operator, with around 97% accuracy.

"This allows users to quickly become experts and ensures consistent, repeatable results, minimising the need for recounts" – **Roger Lamb**, National Operations Manager, PGG Wrightson

## Public Trust improves customer connections and employee efficiency<sup>2</sup>

Public Trust, a New Zealand trust company, faced an ageing contact centre with no centralised system linking customer interactions, records and relationships. To address this, the organisation implemented Microsoft Dynamics 365 to create a customer engagement hub unifying communications.

Dynamics 365 introduced automated call transcription, conversation summaries and AI-driven analytics, enabling staff to draw on customer history to improve call quality and understand customer needs. As a result, customer engagement improved and efficiency increased, with leaders able to access call transcripts and insights in a few clicks instead of spending up to 25 minutes searching for a recording.

"Dynamics 365 Contact Center puts the customer front and center, which has been game-changing for us in terms of the quality of our interactions." – **Scott Marlow**, Head of Service Delivery, Public Trust of New Zealand

## AA Insurance and Vero transform employee and customer experiences<sup>3</sup>

AA Insurance and Vero, known as Suncorp in Australia, set out to lift customer experience so that its employees had faster, more secure access to information.

By deploying Copilot alongside Windows 11 and Microsoft Intune, Suncorp centralised security across platforms and enabled staff to work seamlessly across devices. Employees can now access information instantly and securely, boosting efficiency, strengthening data protection, and freeing up more time to focus on customers.

"The sky's the limit. All these tools help to unlock productivity for all of our employees" – **Victoria Redmond**, Technology and Operations Enablement Manager, Suncorp

Sources: <sup>1,2,3</sup> Microsoft (2026)



# Microsoft's role in strengthening cyber resilience across the digital economy

### New Zealand's rise in security threats

Although New Zealand is not among the most exposed countries globally<sup>1</sup>, its growing reliance on digital technologies has made it an increasingly attractive target for criminal and state-sponsored cyber actors, with cybersecurity pressures intensifying over the past year. In 2025, criminal or financially motivated cyber actors more than doubled from 2024 contributing to total financial losses of NZ\$26.9 million.<sup>2</sup>

Microsoft strengthened New Zealand's public-sector cyber resilience by launching an Azure-based compliance initiative that automates how agencies meet the government's Information Security Manual requirements for secure IT use.<sup>3</sup>



### Microsoft is a global market leader in security solutions

Microsoft is a market leader in security solutions, holding 29% of the consumer security sector globally in 2024.<sup>4</sup> Its Microsoft Defender suite provides protection against malware, phishing and other cyber threats, reducing effort required to solve incidents by 80%.<sup>5</sup>

Microsoft has also embedded security across every layer of its operations through the Secure Future Initiative (SFI) – a multiyear program transforming how the company designs, builds, tests and operates technology to meet the highest security standards. Of the 28 objectives established under SFI, five are nearing completion and twelve have already made significant progress.<sup>6</sup>

### Microsoft's digital security applications safeguard public and private sector organisations<sup>7</sup>

In 2023, a sophisticated ransomware attack exposed gaps in visibility and control of data across Auckland's transport network, prompting the adoption of Microsoft Security Copilot as a unified AI-driven security solution.

By consolidating the organisation's security stack, Security Copilot delivers consistent, AI-powered insights and supports faster, more effective security responses across teams. As a result, employees resolve incidents faster, allowing them to spend more time on advanced security troubleshooting.

**"Alert fatigue is an ongoing and real concern for security teams. Security Copilot provides analysts with the insights they need to resolve alerts quicker, increasing efficiency and ensuring fatigue does not set in." – Ron Ram, Proactive Security Manager, Auckland Transport**

### New Zealand's digital security is strengthened by protection delivered at global scale

This means drawing on threat intelligence from across Microsoft's worldwide cloud ecosystem. This global visibility means threats detected elsewhere are addressed early, enabling New Zealand to be locally hosted while benefiting from defences informed by activity around the world. Globally, in 2025 Microsoft processed the following:<sup>8</sup>

<b>100 trillion</b>	<b>4.5 million</b>
Security signals processed daily	Net new malware file blocks every day
<b>38 million</b>	<b>15,000+</b>
Identity risk detections analysed in an average day	Partners in Microsoft's security ecosystem
<b>34,000</b>	<b>5 billion</b>
Full-time equivalent security engineers employed	Emails screened daily to protect users from malware and phishing

Sources: <sup>1,6</sup> Microsoft Digital Defence report (2025) <sup>2</sup> National Cyber Security Centre (2025); <sup>3,7</sup> Microsoft (2026); <sup>4</sup> Microsoft Security (2025); <sup>5</sup> Forrester Research (2025); <sup>6</sup> Microsoft Secure Future Initiative report (2025); <sup>8</sup> Microsoft Digital Defence report (2025)



# Cultivating New Zealand's digital skills for a future-ready economy

**New Zealand's digital skills gap**

Demand for digitally skilled workers is accelerating, with the technology sector contributing NZ\$24 billion to GDP in 2024.<sup>1</sup> Despite strong AI infrastructure and high readiness, New Zealand lags global peers in AI workforce training, falling behind Australia, United Kingdom and Singapore.<sup>2</sup> These shortages limit the ability for businesses to hire digitally skilled workers, ultimately constraining growth. A 2023 study found that 70% of surveyed New Zealand organisations seeking AI skills reported difficulties in finding suitable talent, underscoring the need to strengthen education and training pathways to support digital transition and lift productivity.<sup>3</sup>



Māori communities in New Zealand face disproportionate digital inclusion barriers, including access and affordability challenges, reflected in their low representation in the digital technology workforce, at just 5%.<sup>8</sup> In response, Microsoft supports Māori digital skilling in line with the New Zealand Government's Digital Inclusion Blueprint, as demonstrated by the programs outlined below.<sup>9</sup>

## Microsoft is driving progress to close the gap

Microsoft has a global mission to advance digital literacy skills, providing opportunities to enter and thrive in the digital workforce. Microsoft advances this mission in two ways: developing training resources to help people keep pace with emerging skills, including AI, and partnering with communities and organisations to ensure inclusive access to upskilling opportunities.<sup>4</sup>

Microsoft developed around 3,000 digital training courses on the Microsoft Learn platform.<sup>5</sup> It also offers free training through the LinkedIn global skills initiative, first launched during the COVID-19 pandemic, the COVID-19 pandemic. This resource has been accessed by 42 million people globally.<sup>6</sup> At a local level, Microsoft initiatives help New Zealanders build digital skills, unlocking AI-driven economic opportunity. Between 2024 and 2026, Microsoft committed to helping 1 million New Zealanders and Australians upskill in cloud and AI across its training programs. Microsoft exceeded this goal by 30% by the end of 2025.<sup>7</sup>

**Microsoft collaborates with NZIST to develop creative technology micro-credentials<sup>10</sup>**

Microsoft partnered with the New Zealand Institute of Skills and Technology (NZIST) to deliver Creative Technology micro-credentials designed to strengthen the creative sector's talent pipeline across West Auckland.

The 6-month program supports secondary schools and kura kaupapa Māori by equipping teachers and students to use digital creative tools, including Copilot, for research, ideation, scriptwriting, and content creation.

In parallel, a 12-week Creative Technology Accelerator supports lifelong learners to build practical skills across content marketing, social media, advertising, and film production.

**Microsoft partners with Wintec to build future-ready digital skills through Toia Mai<sup>11</sup>**

In partnership with Wintec Waikato Institute of Technology, Microsoft helped create the Toia Mai – a Māori-inspired digital art installation. Built with the assistance of AI, the art installation involved processing data from environmental and movement sensors to create a personalised sound and light experience.

Tertiary education students played a hands-on role in collecting and processing data to build the Toia Mai, developing practical job-relevant digital skills and real-world experience to prepare them for the future.

Sources: <sup>1</sup> NZ Tech Key Metrics (2024); <sup>2</sup> Mandala and Microsoft (2024); <sup>3</sup> Access Partnership (2024); <sup>4,7,10,11</sup> Microsoft (2026); <sup>5</sup> Microsoft Skills Hub blog (2021); <sup>6</sup> Microsoft Stories (2026); <sup>9,10</sup> Microsoft (2026); <sup>8</sup> Tech New Zealand (2023); <sup>9</sup> New Zealand Government (2019)



# Small and medium businesses power New Zealand's economy and Microsoft's ecosystem

Small and medium businesses (SMBs)\* underpin the New Zealand economy, making up 96% of all businesses.<sup>1</sup> However, SMBs are currently facing sustained pressures.

In 2025, StatsNZ data indicates that only 31% of SMB's survive beyond nine years, underscoring persistent challenges to long-term viability.<sup>2</sup> Digital investment remains subdued, with just 22% of small businesses reporting improved profitability from technology adoption in 2024<sup>3</sup>, reflecting barriers such as limited access to finance and risk aversion.<sup>4</sup> Considering these challenges, only 36% of New Zealand small businesses recorded growth in 2024.<sup>5</sup>



Figure 6. Number of businesses by size (2023)

Source: StatsNZ



"Across New Zealand, small and medium businesses play a vital role in community life. They create local jobs and provide services people depend on. Strengthening the digital capability of SMBs helps them operate securely, serve customers better, and stay competitive. That support translates into stronger local resilience and sustainable economic opportunity for people and communities."

- **John Hennessey**, Microsoft ANZ General Manager, Small and Medium Enterprises and Channel Business

**Small and medium businesses also represent a significant share of Microsoft's customers** and play a central role in delivering economic and social outcomes across New Zealand.

This ecosystem of customers and partners enables emerging New Zealand start-ups to turn specialised innovation into practical, real-world solutions – from advanced data and digital tools to services that support industries and communities.

## Scaling telehealth outcomes with Microsoft tech at Whakarongorau Aotearoa<sup>6</sup>

Whakarongorau Aotearoa helps run government-funded telehealth services. To meet rising demand, Whakarongorau collaborated with Microsoft to scale its operations. By becoming a tenant of Microsoft's new hyperscale cloud region, the organisation gained the flexibility to scale while maintaining sovereignty over sensitive health data. The organisation also replaced legacy systems with Microsoft Fabric, creating a unified data and analytics platform. These changes increased operational capacity, reduced manual effort and delivered ongoing cost savings of around NZ\$10,000 per month, supporting more efficient service delivery and improved healthcare outcomes for the community.

"The move paves the way for a much better system, and better development and performance overall, through further modernising in Azure" **Shane Jensen**, Senior Project Manager at Whakarongorau Aotearoa

\*Based on StatsNZ business employee-count bands, and a categorisation aligned with common reporting statistics in New Zealand, small businesses are defined as those with fewer than 20 employees, medium as those with 20-99 employees, and large businesses as those with 100 or more employees. Sources: <sup>1</sup> StatsNZ (2025); <sup>2</sup> EY-parthenon analysis using StatsNZ (2025) data. Survival rates are 9-year survival rates between 2016 and 2025; <sup>3,5</sup> CPA (2025); <sup>4</sup> New Zealand Institute of Economic Research (2025); <sup>6</sup> Microsoft (2026)



# Microsoft's technologies and initiatives enable non-profits to scale their impact

## Connecting technology, partners and purpose

Microsoft delivers initiatives that empower non-profits with the skills and technology needed to scale their impact. These initiatives include:

- The **Tech for Social Impact (TSI) program** (now called Microsoft Elevate) supports people-centred AI adoption by providing funding and training to schools, universities and non-profits. Microsoft has committed US\$4 billion through to 2030, reaching around 400,000 non-profits globally in 2025.<sup>1</sup>
- The **Partner for Purpose** program enables partners to use Microsoft Cloud and Copilot to tackle social challenges and inequity, supported by a tailored suite of training resources for non-profit organisations.<sup>2</sup>
- The recent 2025 **SXSW impact stage event**, hosted by non-profit Charitabl, bridged together visionaries, thought leaders and philanthropists from across the Asia-Pacific. The event sparked meaningful conversations and showcased creative changemakers.<sup>3</sup> The 2025 event exceeded expectations, drawing more than 1,700 attendees over three days, representing 48 industry sectors.<sup>4</sup>

### Microsoft devices support frontline service delivery at Salvation Army New Zealand<sup>6</sup>

Salvation Army New Zealand delivers a wide range of community services, including education and addiction support. As more staff began working across sites and in the field, the organisation required secure, reliable technology to support a more mobile workforce while protecting sensitive client information.

Working with Microsoft partner Cyclone, Salvation Army New Zealand equipped 400 staff with Surface devices, enabling teams to work flexibly across locations. Built-in Microsoft Defender strengthened the organisations zero-trust security approach by detecting threats and alerting security teams, helping safeguard client data. Together, these technologies improved workforce mobility and security, allowing staff to remain focused on delivering services to communities.

“Leaning into technology makes it easier for our people to give support where it’s needed” – **Mark Bennett**, Director of Digital and Information Technologies, Salvation Army New Zealand



Forrester research estimates that Microsoft 365 Copilot can increase non-profit fundraising by up to 20% within the first three years of using the technology, and boost operational efficiency by 25%.<sup>5</sup>

Sources: <sup>1</sup> Microsoft Impact Report (2025); <sup>2</sup> Microsoft partner for purpose (2025); <sup>3</sup> Charitabl (2025); <sup>5</sup> Forrester Research (2024); <sup>4,6</sup> Microsoft (2026)

# Strengthening communities through Microsoft giving and volunteering

## Microsoft's global community initiatives empower people and organisations

Microsoft drives social impact beyond its technology, with employees worldwide giving time, skills and financial support, aligning with its mission to empower every person and organisation to achieve more. This mission is reflected in Microsoft's Datacentre Community Pledge, which focuses on delivering tangible benefits for local communities. It is also reinforced through Microsoft initiatives such as the Change Agent program, and the Give Match program, outlined below.

### Microsoft Change Agent program<sup>2</sup>

Microsoft's Change Agent program empowers employees to directly strengthen the non-profit sector by enabling full-time staff to dedicate a year to volunteering their technical expertise and professional skills. Through the program, Change Agents deliver training, tailored guidance and access to Microsoft tools and resources, helping non-profits build capability, advance digital maturity and accelerate impact in the communities they serve.

### Microsoft Give Match Program<sup>3</sup>

Microsoft's Give Match program increases the impact of employee giving by matching eligible donations to non-profit organisations and converting volunteer time into monetary grants. This provides non-profits and community organisations with greater financial support, helping them strengthen their services and extend their impact. Through gifts of time, money and skills, Microsoft employees can help these organisations achieve more for the communities they serve.

Globally Microsoft contributed:<sup>4</sup>

**\$263 million**

employee donations in USD

**1.2 million**

Employee volunteer hours with non-profits

**37,000**

Non-profits supported

**110**

Countries supported



Sources: <sup>1,2,3</sup> Microsoft Corporate Responsibility (2026); <sup>4</sup> Microsoft Impact Report (2025)

# Microsoft advances its sustainability through bold commitments and strategic partnerships

**Microsoft actively reduces its environmental impact by cutting emissions** across its campuses, datacentres, devices and software, applying rigorous life-cycle analyses, and transparently measuring and reporting its progress. These efforts underpin Microsoft's global sustainability commitments, which include the following<sup>1</sup>:

- **Protect ecosystems:** protect and restore more land than it uses by 2025.
- **Zero waste:** applying a circular economy strategy, achieve zero waste across Microsoft's business by 2030 and achieve a 90% reuse and recycle rate.
- **Water positive:** replenish more water than it consumes by 2030.
- **Carbon negative:** reduce and remove emissions and use renewable energy to become carbon negative by 2030.

In 2024 Microsoft made progress towards achieving these global goals:

**19 gigawatts**  
of carbon-free renewable energy contracted, working towards the 2030 target

**15,800 acres**  
of land permanently protected, meeting its 2030 target

**50 million cubic metres**  
of water replenished, on track to meet its 2030 target

**25,600 metric tons**  
of waste diverted, meeting its 2030 target



**Microsoft's technology helps Mitre 10 reduce its environmental impact<sup>2</sup>**

Mitre 10 empowered each store to lead its own sustainability initiatives but lacked a consistent way to measure their impact. To close this gap, Mitre 10 created a custom Power BI sustainability dashboard that tracks each store's progress.

The dashboard strengthened accountability for sustainability actions, delivering measurable environmental impact and reducing emissions by 199 tonnes of CO<sub>2</sub>e.

"Using Microsoft, Mitre 10 store operators have been empowered to make better choices in their sustainability practices and see their efforts reflected month-to-month." – **Julie Roberts**, Head of Sustainability, Mitre 10

**Microsoft supports wetland restoration in Auckland<sup>3</sup>**

Microsoft partnered with Community Waitākere to support biodiversity restoration at the Harbourview-Orangihina Reserve in Auckland. The project focused on restoring rare freshwater wetlands degraded by invasive pest plants. The work has contributed to improving approximately 81,800 square metres of wetland habitat, supporting 4,300 trees and around 290 native species, demonstrating meaningful environmental outcomes alongside long-term community and ecological benefit.

"Through strategic planting, we have not only restored native species but also strengthened local ecosystems, all while collaborating with dedicated community groups" – **Chris Burton**, Community Environmental Strategic Lead, Community Waitakere Charitable Trust

Sources: <sup>1</sup> Microsoft Sustainability report (2025); <sup>2,3</sup> Microsoft (2026)

# Looking ahead

New Zealand and the world are moving into the next phase of the cloud and AI shift. The next wave of value will come less from one-off efficiency wins and more from broad adoption, where organisations embed AI into everyday workflows, redesign processes, and lift output per worker over time.

Digital tools translate into outcomes through a few practical channels. Productivity lifts when workers spend less time on routine tasks and coordination, and more time on higher-value work. Growth is supported when organisations can scale computing capacity and digital services faster, with lower upfront costs and shorter lead times. Resilience strengthens when systems are more secure and continuity is easier to maintain through disruption.

This report shows Microsoft already plays a major role in how New Zealand workplaces operate, and that its contribution extends well beyond its direct footprint through the partner and customer ecosystem that builds, implements and runs solutions on Microsoft technologies. The results point to material economic activity and jobs supported across the economy, alongside productivity gains already being realised through everyday tools used at scale across New Zealand organisations.

Looking forward, Microsoft is well positioned to continue supporting New Zealand's productivity uplift as AI becomes more embedded in mainstream software and day-to-day work. By bringing AI into tools people already use, Microsoft lowers the friction of adoption and helps turn capability into routine practice. This is particularly relevant for knowledge-intensive industries, including professional services, where drafting, summarising, analysis, client communication and coordination sit inside everyday delivery. As those workflows shift, the potential for productivity improvement becomes more broad-based and more persistent.

Continued investment in the enabling foundations will also matter. Demand for cloud and AI workloads is rising, and digital infrastructure capital is increasingly mobile. In that environment, ongoing investment in local capacity, together with the partner ecosystem that turns capability into deployed solutions, supports New Zealand's ability to capture the benefits of the next wave.

Ultimately, the size of the uplift will depend on execution across the economy. The strongest outcomes are likely where organisations pair technology adoption with complementary change, including skills development, workflow redesign, responsible governance and strong cyber practices. With its established platform and partner ecosystem in New Zealand, Microsoft is positioned to remain a major contributor to how New Zealand organisations work, and to the productivity gains that can follow as cloud and AI adoption scales over time.



# Appendix: modelling methodologies

## Economic impact approach

EY-Parthenon’s Input-Output model was used to estimate economic impacts of Microsoft’s 2025 operations on the New Zealand economy. The analysis draws on the StatsNZ Input-Output Tables (year end March 2020), and Microsoft earnings and employment data from its annual financial report for the year ended 30 June 2025. All figures are presented in NZD.

The results capture both direct and indirect impacts, including the value-added and employment generated by Microsoft’s own operations, as well as the flow-on value-added and employment supported through its supply chain, comprising businesses that provide goods and services as inputs to Microsoft’s activities.

**Direct impacts**

Total value-added or employment generated by an industry or activity.

**Indirect impacts**

The flow-on value-added or employment contribution generated by a business purchasing inputs from other industries.

Two key economic measures are used to represent the impact on the economy, defined below:

**Gross value-added (GVA)**

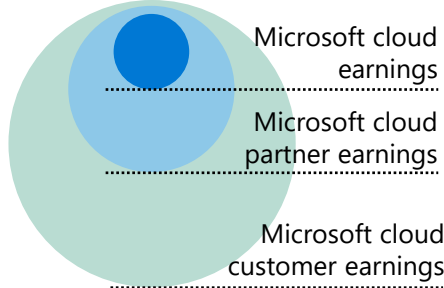
GVA measures the contribution to gross domestic product, calculated as total output minus intermediate inputs purchased from other industries.

**Employment**

Full-time equivalent (FTE) employment expresses total employment as the equivalent number of full-time jobs supported over a year.

**Cloud ecosystem approach**

The International Data Corporation (IDC) Cloud Dividend Methodology was used to estimate the Microsoft-sustained earnings of cloud partners and customers, including customers enabled through partner-delivered solutions. The analysis applies IDC-estimated ratios that link Microsoft’s cloud revenue to associated partner and customer revenues. Microsoft New Zealand’s cloud revenue inputs are sourced from the IDC’s Worldwide Semi-annual Software Tracker, which covers Microsoft’s software and cloud products. Modelling excludes overlap between Microsoft-generated and Microsoft-sustained impacts.



Source: IDC

## Additional results

This report defines economic contribution as the combined direct and indirect impacts, consistent with widely adopted practice in New Zealand economic appraisal.

Some frameworks also report a third category of impact, known as the induced impact, which captures the additional economic activity generated when employees spend their income on goods and services throughout the economy.

For Microsoft’s FY2025 operations, the estimated induced impact is approximately NZ\$0.8 billion associated with Microsoft’s products, services and datacentres and NZ\$5.0 billion associated with Microsoft’s cloud ecosystem, including partners and customers.<sup>1</sup>

## Productivity benefits

The productivity benefits generated by New Zealand businesses using Microsoft Teams, Copilot and Azure AI were estimated by applying time-based benefits from Forrester Research to relevant employment segments, adjusted for Microsoft’s market share within each New Zealand functional market (using IDC market share and functional market data). Estimated time savings were then valued using StatsNZ industry income data to derive the annual productivity benefit.

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