Real-World Benefits of Generative AI in the New Zealand public sector

A brief case study of a large public sector agency

Overview

During 2024, a public sector agency undertook a trial of M365 Copilot, a generative AI tool.

The agency's drivers for the trial were to understand potential impacts for productivity, decision-making quality, customer experience and employee engagement.

That trial is now complete. These slides summarise the findings.

The trial

300+ licences across 8 business groups – including finance, strategy, people and culture, enterprise change and technology.

Staff with directly customer-facing roles were not included in the trial. Copilot was not able to access systems holding customer information.

The most popular use cases for Copilot were: Teams, Word, Bizchat, Outlook and PowerPoint.

How it was used

Use cases were captured through workshops held with business groups and captured 'in the moment' by users via a form. The primary use cases most users benefited from include:

- Reduced time and effort writing meeting notes

- Getting recaps of meetings

- Speeding up content creation

- Improving content quality

- Quickly generating ideas

- Reducing time and improving reporting and data processing

Return on investment

Auto-generated calculations estimated savings of **10 hours per user per month** but some users reported saving 15 hours per month.

The public sector agency determined that the ROI clearly justified the license cost.

General feedback from users

76% said it made them **more productive**

79% said it improved the **quality** of their work or output

79% said it helped them complete tasks **faster**

78% said it helped them spend less mental effort on mundane or repetitive tasks

92% found it **easy** to use

Users gave it an accuracy rating of 7.21 out of 10 for responses/content produced

Neurodiverse and English as a second language feedback

The trial found that Copilot helped people with neurodiversity such as ADHD, dyslexia, or memory/concentration issues to **focus more in meetings** by providing recaps/notes and **reduce anxiety and overcome inertia** by helping to draft content.

Copilot also helped people with English as a second language to **improve their English** through coaching and revising the tone and content of emails and documents.

Pre-requisites that cleared the runway

The agency already had the following in place before commencing the trial:

- Generative AI policy and guidelines
  (these were supplemented by a specific Terms of Use for users of M365 Copilot)

- Generative AI controls (using the NIST risk management framework)

- Extensive use of Microsoft platform including Teams, SharePoint and OneDrive

- Governed provisioning process and lifecycle management for Teams/SharePoint

- Azure Information Protection (sensitivity) and retention labelling

- Data Loss Prevention policies

- Identity and device management

- Standard processes for security and privacy assessments

Policy statements

The agency developed a policy to clarify their stance on potential use of Generative Artificial Intelligence (AI) Models and Services.

- Transparency is at the forefront of any Generative AI usage.

- We will have human oversight included throughout the use of any Generative AI Model.

- Data privacy and security are paramount.

- We will actively protect Mātauranga Māori, tikanga, and taonga (Māori Protected Materials).

- We will comply with all applicable laws and associated policies.

- All Generative AI Models and Services must have a focus on ethical use.

- We will collaborate with relevant stakeholders when considering or using Generative AI Models and Services.

- We will provide clarity on usage purposes.

- We will consider and take reasonable steps to protect and respect our, and third-party, intellectual property rights.

- We will always follow guidelines.

Security

Thorough testing and security assessments reassured the agency that M365 Copilot operated as expected. Due diligence covered in the security assessments included:

• M365 Copilot adhered to existing user permissions.

• Data residency for LLM (currently US)

• M365 Copilot did not access information outside the expected service boundaries.

• E-discovery tools and admin functionality enabling us to view usage and logs.

• Implications of enabling/disabling web content search.

• Adequate protection of Personal Identifiable Information (PII).

• Potential risks and mitigations

Privacy

The agency went through a thorough privacy and ethics approval process which included a Privacy Impact Assessment that was reviewed by the Government Chief Privacy Officer.

The main privacy risks highlighted in the PIA surround access, accuracy and misuse. It concluded that, overall, there were several technical and non-technical controls in place to mitigate against severe privacy risk – including:

- Controls built into M365 Copilot – including it not storing or learning from input data, encrypting inputs in transit and at rest, and not assigning unique identifiers.

- M365 Copilot abiding by existing user access permissions and service boundaries.

- Having user training in place and a requirement for human review of outputs.

The agency turned off the web-content option and prohibited direct input of personal information into prompts. They did not restrict M365 Copilot access to any files in SharePoint that the user already had permissions to.

The process

Obtained interim security, privacy and ethics endorsement to test

Obtained further interim endorsement to pilot

Completed full endorsement

Testing

25 SMES - from Technology, Security, Privacy, Ethics, Information Management, Architecture, Māori advisors Risk & HR

2 weeks

Small pilot

50 users – day-to-day use, identify any issues and provide feedback

1-2 months

Large pilot

300 users - identify use cases and provide feedback

6 months

Extend use

600 users - ongoing use

ongoing BAU

Process Option 2

Using a staged approach allowed the agency to safely undertake the trial while maintaining the confidence of key stakeholders:

Obtained interim security, privacy and ethics endorsement to test

Testing	25 stakeholders involved in 2 weeks of testing (including technology, security, privacy, information management, Māori advisors, risk, architecture, governance)

Obtained further interim endorsement for pilot phases

Small pilot	50 users from a variety of business groups
Wider pilot	300 users from a variety of business groups

Completed full endorsement

Expansion	Increased to 500 users for ongoing use (focusing additional licenses on high ROI areas)

Maximising the ROI

The agency found users achieved the highest benefits when they:

- Knew how to prompt effectively

- Built habits to incorporate use throughout their daily work activities

- Learned advanced ways to use it (not just to search, summarise and draft content)

This was supported through **compulsory training** and **ongoing adoption support** (including an online Viva Engage community where the cohort shared use cases and prompts).

Key Benefits & Use Cases for the Public Service

Key Benefits

10hrs

per user per month saved on average

287%

ROI based on the average hourly rate of trial participants

76%

of staff reported productivity improvement

79%

of staff reported better quality of work

79%

of staff reported improvement to their speed of work

92%

of staff found the technology was easy to use

Key Use Cases

Research and finding information	**Summarisation**	**Content creation**
Technical Code Assistance	**Meeting Summaries, Minutes, and action items**	**Generating creative ideas**
Questions & answers	**Accessibility**	**Data Visualisation**

Key Benefits expanded

Business Group	Key Copilot Use Cases
Admin support	• Idea generation • Refining content to make it easier to read
Privacy / Risk	• Data visualisation • Drafting of documents based on prompts and refinements
People & Culture	• Aids communication through drafting emails, checking tone, meeting preparation, reviews. • Recruitment e.g. providing standard responses. • Content creation
Finance	• Drafting and rewriting emails • Meeting summaries and action points • Finding information about people across the organisation
Legal	• Finding information across the organization's SharePoint environment • Draft, review, rewrite and summarise documents, improving their content and providing suggestions • Finding meaning of organisation acronyms
Technology	• Drafting systems documentation, user stories and test cases • Summarisation of content, chats
Commercial	• Meeting summaries, minutes and action items that can be sent to suppliers • Creating a structure of a document and draft wording
Prevention & Partnerships	• Information retrieval from various sources • Summarisation of documents, content, discussions, chat and meeting information • Content, presentation generation, reviews and improvements / refinements

Additional Benefits

Operational Efficiency

- Productivity
- Quality
- Execution Speed
- Risk Reduction

Employee Experience

- Engagement
- Wellness
- Onboarding
- Skill Development
- Staff Retention
- Diversity & Inclusion

Digital Culture

- Tech Adoption
- Digital Fluency
- Creativity
- Innovation
- Collaboration

Conclusions

1. Generative AI solutions, such as **Copilot for Microsoft 365**, can deliver significant financial benefits to public sector organisations, as well as improvements to staff productivity, work quality, and job satisfaction.

2. Organisations that attach appropriate staff training & support simultaneously maximise the benefits whilst reducing the time to value of Generative AI solutions.

3. The benefits of this technology are well established and able to be integrated into a wide variety of organisations with relatively small cost and high return on investment.